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Effective 1 January 1983, this report series is being reorganized and retitled the NEAR EAST/SOUTH ASIA REPORT. In addition to material on the Near East and North Africa, it will contain material on the South Asian countries--Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka--that presently appears in the JPRS SOUTH AND EAST ASIA REPORT.

21 December 1982

NEAR EAST/NORTH AFRICA REPORT

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PERSIAN GULF AFFAIRS

JOINT ELECTRICITY PROJECTS OUTLINED

Jiddah AL-MADINAH in Arabic 30 Aug 82 p 6

[Interview with Bahraini Electricity Administration Director 'Abdallah Jum'ah, conducted by Nasr-al-Din Ahmad: "Bahraini Electricity Administration Director Tells AL-MADINAH: A Plan Has Been Proposed To Link the Electricity Grids of Saudi Arabia and Bahrain; the Kingdom and Bahrain Have Largest Number of Gas Turbines in the Area"; date and place not given]

[Text] Cooperation between the Kingdom of Saudi Arabia and Bahrain has encompassed many fields. The Gulf Cooperation Council (GCC) has programmed the coordination of cooperation and the linking of its various forms with deliberate comprehensiveness, proceeding step by step and phase by phase based on collective points of departure. On the other hand, bilateral cooperation between the Persian Gulf states still enjoys a role as pillar that supports the GCC. In fact, it was bilateral cooperation that led to the establishment of the GCC to concentrate the cooperative efforts in the service of the Gulf citizen through the channels of integration that the GCC states were endeavoring to achieve by means of economic agreement. Many meetings were held among responsible ministers in the fields of finance and economy, oil, industry, trade and communications. Ideas for future meetings to strengthen the course of cooperation are forthcoming. One of these is a meeting pertaining to electric power affairs among the GCC states.

We are now passing through the summer season and the heat is tightening its grip on us, increasing our reliance on electricity. For this reason, I thought it appropriate to discuss the matter of electric power with the director of the Electricity Administration of the state of Bahrain, Mr 'Abdallah Juma'ah. We discussed bilateral cooperation in the electricity field between Saudi Arabia and Bahrain and collective cooperation both at the level of the GCC states and at the level of the Arab world.

Linking of Electricity Networks of Saudi Arabia and Bahrain

[Question] To start with I asked him about the idea proposed a few years ago concerning the linking of the electricity networks of Saudi Arabia and Bahrain to supply Bahrain with power from the eastern area in cases of a severe shortfall in the generation of electric power in Bahrain. I asked him to explain whether this idea is still current or is no longer under consideration.

[Answer] The idea is still current. Even though it was proposed some years ago, it hasn't been dropped from consideration because the factors that led to its proposal have not ceased to exist. However, it has not taken definite shape within the framework of a specific project or working plan. There is no doubt that such vital projects will always remain alive in people's minds. Saudi Arabia and Bahrain cooperate in all fields. The project to link the electricity networks of the two countries will inevitably come about. The discussion of this project and the bringing of this project into implementation after the necessary studies are conducted will inevitably remain current.

Such a project can be a comprehensive one tying all the GCC states after the European model. Europe has worked to connect the electric power systems among its states.

I just returned from the United States after a 3-month working visit. I found that the electricity organizations in the states are interconnected through electricity grids, thus achieving integration. If the generators in a certain area were to stop, they would be supplied with currents from a far distant area through the connected networks.

Gas Turbines

[Question] Tell us about cooperation between the Kingdom and Bahrain with regard to gas turbines.

[Answer] The Kingdom of Saudi Arabia and Bahrain have the largest number of gas turbines in the area. This has brought about a mutual interest in gas turbine maintenance. There is the possibility for intensive cooperation in this area. The gas turbine maintenance seminar for the Arab states that was held in Bahrain provided a great opportunity to find out about the problems of gas turbines and the means of maintaining these turbines based on the experience that has been acquired by the Kingdom and Bahrain.

First Meeting of Gulf Electricity Ministers

[Question] What about the cooperation of the GCC states in achieving coordination, cooperation, and integration in the field of electric power after the pattern of the meetings that have been held within the framework of the GCC and have laid the foundations for integration in many fields?

[Answer] Within the framework of coordination among the electricity ministries in the GCC states, the idea of coordination and integration among these states in the field of electric power arose last year when minister of works, electricity, and water, Majid al-Jishi, raised this subject in the international water desalination conference held in Bahrain. He discussed this idea with the responsible Gulf ministers and it met with acceptance and approval. It was agreed that coordination should be carried out through the General Secretariat of the GCC. The actions of the council in this regard resulted in arrangements for a meeting of the electricity ministers in the area to be preceded by a meeting of the deputy ministers of the concerned ministries to draft a working paper to be presented before the first meeting of the ministers of electricity in the GCC states. The first meeting of the deputy

ministers of electricity in the GCC states was scheduled for September in Bahrain. The first meeting of the ministers of electricity was set for the end of this year or the beginning of next year.

These meetings parallel the meetings that have brought together responsible ministers from ministries involved in a variety of activities in the GCC states.

[Question] Responding to a question concerning the working paper that will be presented to the ministers of electricity, he said:

[Answer] The paper will basically seek to bring together ideas and observations and pinpoint the problems of each of the six states. The General Secretariat of the GCC will deal with its coordination and unification in a single working paper.

Bilateral Cooperation

[Question] Concerning a question pertaining to Bahrain's cooperation in the field of electricity with the GCC states, he replied:

[Answer] There is cooperation with the Kingdom in many fields, as I already mentioned. In addition, we cooperate with Kuwait and the UAE in seeking the advice of the responsible agencies in the electricity ministries when we wish to contract with an international company specializing in the field of electrical equipment or engineering. We do this to find out everything about the company through other states that have dealt with it in the past prior to signing an agreement with this company. This is an effort to avoid the negative aspects of such companies. We have benefited a great deal from this process and the cooperation of our brothers in the Gulf states by being supplied with correct and detailed information about these companies.

Bahrain has cooperated extensively with Kuwait in training programs. We sent a large number of equipment operators abroad for training when the largest desalination station in Bahrain was constructed. Kuwait sent a team of experts who worked with us at this station for a period of 2 years to fill the shortage in the operations organization of the station.

The existence of the GCC now will open extensive opportunities for cooperation in the fields of electric power, the exchange of information, expertise, and training and qualification programs and the purchasing of equipment.

[Question] We also asked him about the electric power that will be used in the bridge that connects Bahrain with Saudi Arabia. Will both the Kingdom and Bahrain supply the bridge with power or will this be done by the Kingdom alone?

[Answer] You undoubtedly know that the Kingdom of Saudi Arabia was charged with building the bridge and everything connected with it. We have learned that the electric power that will be used on the bridge will also be furnished by the Kingdom. However, the roadway lighting network for the roads connecting with the bridge will be the responsibility of the Electricity Administration.

BOMBS BLAST DOWNTOWN KABUL

Tehran KAYHAN INTERNATIONAL in English 27 Nov 82 p 4

[Text]

ISLAMABAD, Pakistan — Nov 26 (Dispatches) — Five persons died and 32 were injured in two bomb blasts in a main shopping center in Afghanistan's capital of Kabul, Kabul radio said Thursday.

The government-run radio report, monitored in Islamabad, said 44 shops were destroyed in the Jada-e-Maiwand shopping center Wednesday night.

The bombing was the third attack in four weeks on the Jada-e-Maiwand district presumably carried out by Afghan Muslim rebels fighting the Soviet-backed regime of Babrak Karmal. The area is generally under tight security and frequented by Soviets and upper class Afghan citizens.

Three restaurants were destroyed and at least 16 people were killed in a series of bomb blasts in the district Nov 11, Kabul radio reported.

Earlier, a bomb explosion ripped through several floors of the tallest structure in Kabul, a 14-story building housing state trading offices. There were no injuries reported in that blast that occurred before dawn, western diplomats said.

In Zug, Switzerland, two more young Soviet soldiers captured by the Muslim rebels in Afghanistan have been handed over to the Swiss for internment, a foreign ministry spokeswoman said Thursday.

She said a total of seven Soviet soldiers have now been sent to Switzerland by Afghan Mujahideen under an agreement negotiated by the international committee of the Red Cross.

The young men are interned in a military detention center in central Switzerland where they are doing farm work and make an occasional shopping trip to a nearby village under escort.

An estimated 105,000 Soviet troops are supporting the government forces in Afghanistan's 34-month-old guerrilla war.

Tass Hits U.N. Debate on Afghanistan

Moscow's official Tass news agency Thursday expressed anger at the U.N. debate on Afghanistan, which it said was fabricated by the United States to distract world attention from other pressing problems.

Tass said the General Assembly discussed the "invented

Afghan question" as the instigation of the United States.

U.S. Ambassador Jeanne Kirkpatrick, Tass said, "heaped slanders" on Afghanistan because she is "extremely unhappy about the successes of the Democratic Republic of Afghanistan (and) displeased with the Afghan-Soviet friendship."

The United Nations has before it a resolution submitted by 45 countries, calling for the withdrawal of all foreign troops from Afghanistan. It was expected to be adopted Friday by an overwhelming vote.

The Soviet Union has ignored three previous similar resolutions since the Soviet invasion of the neighbor country in 1979.

Tass charged that it is Washington which "supervises and finances the training of Afghan counterrevolutionary mercenaries."

It said Washington needed to slander the Soviet Union "in order to distract attention from Washington's policy."

"The U.S. administration bears the main responsibility for the fact that tension persists around Afghanistan and in the region as a whole," Tass said.

EMIGRE OFFICIAL DENOUNCES RUSSIANS ON TUNNEL BLAST

Tehran KAYHAN INTERNATIONAL in English 28 Nov 82 p 5

[Speech by Dr Amanyar, representative of the Islamic Alliance of Afghan Mujahedin]

[Text]

LONDON (AAP) — Commenting on the tragic news of the Afghan tunnel disaster, Dr. Amanyar, the representative of the Islamic Alliance of Afghan Mujahideen in London has said that the secrecy surrounding this tragedy and its black-out for so many days shows to what lengths the Russians and their puppet Karmal regime can go to hide their blunders and barbaric actions; and if they are exposed they put the blame on the Mujahideen's shoulders.

Dr. Amanyar said that Mujahideen had never done any thing to harm innocent civilians or unnecessarily against the Afghan soldiers. "Our fight is against the Russians not against our own countrymen who are not in the government or against those Afghan troops who are forcibly being urged to fight us," he said.

Dr. Amanyar expressed his deep shock and horror at the number of casualties and the way the innocent civilians died, because of the baseless suspicion of a Soviet officer, who ordered both ends of the tunnel blocked. Dr. Amanyar noted that since the day the Russians invaded

Afghanistan they were never able to control the areas of Jabl-e-Siraj, Dooshi, Andob and Panjsher all in the region of Salang Pass, these areas were and still are under the firm control of the Mujahideen. "We could have attacked and destroyed this tunnel whenever we wanted to, it is a primary and strategically important route which links Afghanistan by road with the Soviet Union. But this two mile long tunnel is the shortest and easiest route used by the civilians, coming from the northern provinces and cities to the south. Any action against the

Soviets in the tunnel would have resulted in the deaths of our innocent countrymen as well. We would never have thought of taking such an action".

"If Russians are Afghans' friends and have come to the aid of the country as Babrak Karmal claims, then why did they block the tunnel instead of going in there and finding out what was happening? Why did they not endanger their own lives to save those who were trapped inside? Even if there were any "guerrillas" in there, as the Russians suspected, the Russians could have

easily have out-numbered them; and by sacrificing their comrades lives, could have saved hundreds of civilians. This act alone on their behalf proves what kind of "friends" the Russians are."

Neither East Nor West

In a separate report, Engineer Gulbdin Hikmatyar, Vice President of the Islamic Alliance of Afghan Mujahideen has described as baseless and concocted the report appearing in a section of Pakistan's Press that he would lead a Mujahideen delegation to the United States to obtain arms.

Engineer Gulbdin told a correspondent of Agency Afghan Press in Islamabad that this was a calculated effort to harm the prestige of Islamic Movement in Afghanistan. He declared that "We neither allow one superpower to intervene in the affairs of Afghanistan, nor the other superpower to pose as a beneficiary in the issue of obtaining our homeland."

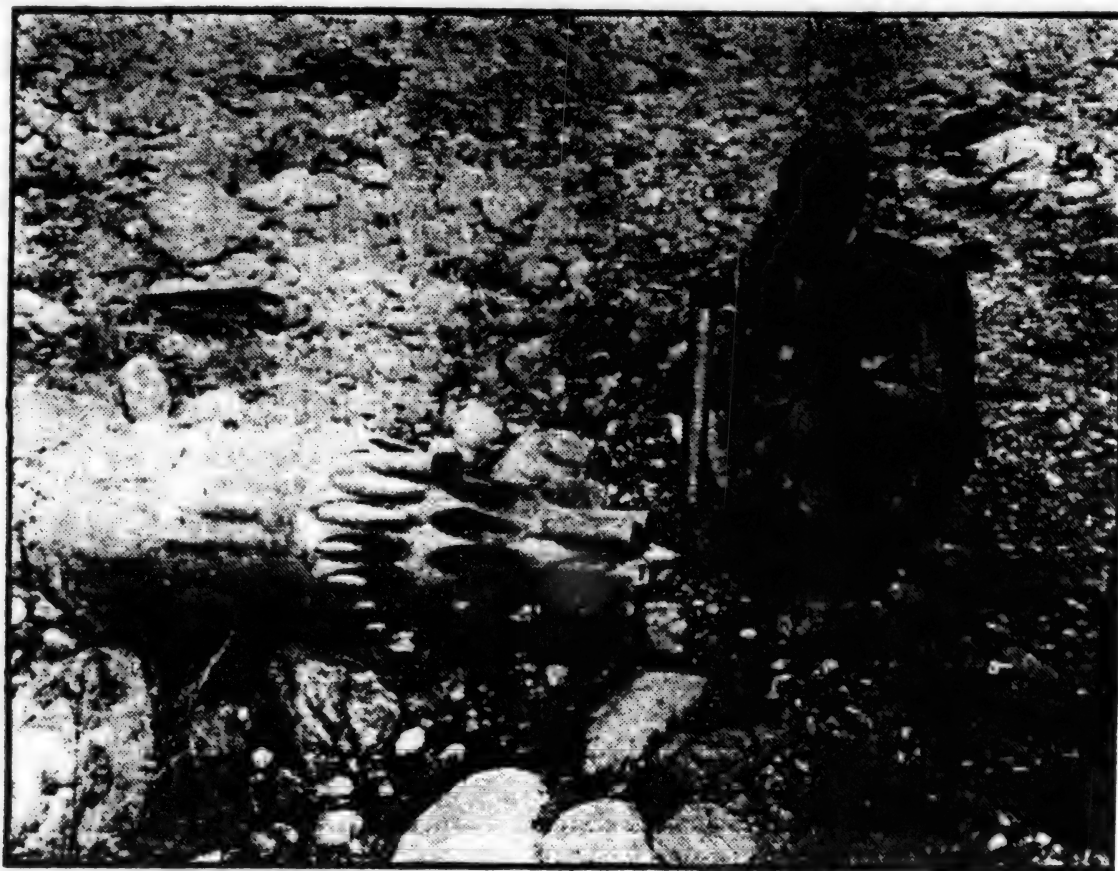
It is to be mentioned that the news item, quoting Voice of Israel, had appeared recently in a section of the Press in Rawalpindi. It said that the U.S. Administration had agreed to provide helicopters and fighter planes to the Mujahideen and that soon a delegation led by Engineer Gulbdin Hikmatyar would visit the United States.

Mr. Gulbdin pointed out that sometime back, fabricated letters of Khad — 'Afghan Intelligence Department' — were circulated through the pro-West Afghan leaders. The motive behind this campaign is to damage the prestige of Islamic Movement in Afghanistan. This was an international conspiracy to encourage the hired agents of the west in Afghanistan and to assassinate the character of the genuine Mujahideen leadership. He said the westernized leaders in Afghanistan were ready to strike a bargain at the cost of nearly one million martyrs of Afghan Nation. But he

said the Afghan Nation was aware of such intrigues and would deal properly with the mercenaries.

Meanwhile, as the war continues, according to reports Kunar freedom fighters captured the military cantonment of Sunak, 24 kilometers north of Asmar, subdivision of the province. The Mujahideen seized a large number of arms and a heavy quantity of ammunition from the place. It is to be mentioned that the Soviet forces had set up an ammunition depot at Sunak and established a new cantonment at the place. The Mujahideen put a siege around the cantonment two weeks ago and launched an attack on it.

The fighting continued the whole day and resulted in the defeat of the government forces who fled the place. The Mujahideen obtained control over the area. The fleeing government forces left behind a sizeable quantity of arms and ammunition. A group of 25 Afghan soldiers joined Mujahideen during the fighting.



Muslim Afghanistan — Embattled and determined not to yield.

ROLE OF TRIBES, PEOPLES IN REVOLUTION EXTOLLED

Kabul KABUL NEW TIMES in English 23 Nov 82 p 2

[Text]

(The message of the Ministry of Nationalities and Tribal Affairs of the DRA).

Four years have elapsed since the Saur Revolution in Afghanistan. It is clear for you as to what tumult has been raised and what shameful deeds have been committed by the enemies of your homeland, soil, religion, national honour, pride and dignity. But, the revolution has not only not been weakened but has been strengthening with every passing day.

The revolution has further extended its roots among the tribes and peoples. With the advent of the new phase of the revolution, the shameful times of fratricide and discord ended. An end has been put to all deeds which in the bloody reign of Amin had strangled humanity because these deeds did not conform with the character of the revolution.

The Government and the party, under the wise leadership of Babrak Karmal,

have been pursuing the path of peace, security and understanding and conditions for peaceful life have already been prepared in Afghanistan. The revolutionary Government will always surge forward on this path, because herein lies the good of the people and the nation.

Enemies of our revolution, world imperialism headed by the US imperialism, hegemonists and regional reaction can by their very nature not be the real friends of our people. They provoke you against your people. Come, fight against these old enemies of our people in the name of Afghan honour and courage and in the name of our national unity in our dear homeland.

For this reason, those of our brothers and tribesmen who had left their houses and homeland due to the tyranny and oppression of Amin, can high-headedly return to their homes and homeland availing themselves of the decree of general

amnesty of RC Presidium of June 18, 1981. After the issuance of this decree, a large number of our national and tribal brothers have returned to their homes, villages and towns and this process is continuing. Through this the ominous plans and conspiracies of the enemies are getting exposed with every passing day. Return to your homes, villages and cities and resume your life on your farms and fields and together with all other compatriots take part in the development and prosperity of your homeland. Safeguard your irrigation dams, roads, bridges, factories, mountains and passes and kindle the torch of peace, security and understanding. Return to your honourable homeland and start to resume a honourable and noble life. The party and the revolutionary Government are ready to respond to all your demands and wishes through 'jirgahs' (local assemblies) and discussions, because, 'jirgahs' are the Afghan tradition shared by you and

us. We and you will solve every issue and problems by the means of 'jirgahs'. We hate fratricide and discord; we have always fought for the cause of unity of action and consolidation of fraternity among all nationalities and tribes residing in our beloved country, Afghanistan and we will spare no effort in this regard in the future, too. During the period which has followed the collapse of Amin's bloody reign, we have proven that we are the real servants of our people. Do not accept a disgraceful life in another country. The revolutionary Government of Afghanistan guarantees the ensuring of a peaceful life for you. The homeland is a homeland anyway.

And success is from God!

"WE SHOULD BE UNITED OTHERWISE WE WILL BE ANNIHILATED."

"For the sake of God and for the sake of nation, for the future of family, nation and homeland—make this home of your pros-

perous, make a covenant, stop shooting. Eradicate what has caused suffering to us all our life, that is, the plots and conspiracies of colonialism and seek a way for common and sweet life for both the immigrant brothers who are living in cottages and camps and those brothers who are entrusted with state power; a life based on independence, honour and religion and find out ways and methods to live as the blessed people in the clean bosom of the homeland, this paradisaical homeland. Take steps yourselves on this path and lead your nation on this way along with you. This is your religious national and historical mission. If you move along this path, then God's blessing will be with you because, God is with those who seek good for others.

—Excerpts from the address of Ajmal Khatak made on the occasion of the national day of Pashtoons and Baluchis).

(From "Voice of the Homeland" a publication of the NFF of the DRA).

CSO: 4600/141

REVOLUTION PROMISES EQUAL RIGHTS FOR TRIBES

Kabul KABUL NEW TIMES in English 28 Nov 82 p 2

[Text]

Since the inception of the Saur Revolution, the Democratic Republic of Afghanistan has pursued a policy of promoting equal rights, fraternal friendship and all-sided development of all nationalities, tribes and clans living in Afghanistan.

Sowing discord among diverse nationalities and social strata was the pillar on which the tower of tyranny of the past decrepit feudal and 'sardari' order was built.

After the Saur Revolution, especially its new and evolutionary phase, the Government has placed emphasis on equal and active participation of all nationalities and tribes in the big reconstruction drive of new and revolutionary Afghanistan and defence of the many gains of the revolution.

It has been time and again reiterated by both the People's Democratic Party of Afghanistan, van-

guard of the working class and the entire toiling people of the country, and the DRA Government that the great achievements of the Saur Revolution and its new phase in diverse socio-economic, political and cultural spheres equally belong to all working masses and nationalities and tribes living in Afghanistan.

As clearly spelt out by the Fundamental Principles of the Democratic Republic of Afghanistan which serves as a provisional Constitution, the "Democratic Republic of Afghanistan aims at eradication of inequality as far as economic, social and cultural growth of our people in all regions of the country is concerned". The DRA has pursued a policy of equal rights for and fraternal friendship among various nationalities.

Addressing the elders and representatives of different districts, subdistric-

ts and villages of the Bamian province, Babrak Karmal, General Secretary of the PDPA CC and President of the RC, said: "All nationalities and tribes residing in Afghanistan enjoy equal, fraternal rights and it is an aspiration of the Democratic Republic of Afghanistan, the revolution and the Government that all oppressed people of Afghanistan may live in tranquility and prosperity."

All the countrymen, regardless of tribe or nationality, enjoy equal rights and privileges in building a new, prosperous Afghanistan and bringing nearer the goals of the national and democratic Saur Revolution. They fulfill their national duties with unity of action under the leadership of the vanguard party of the working class and the toiling people and the revolutionary Government.

As a great achievement of the new and evolutionary phase of the Saur Revolution, the Fundamental Principles of the Democratic Republic of Afghanistan has clearly enunciated the popular policy of the party and the revolutionary Government in regard to the question of nationalities and tribes. This has been clearly manifested in all party documents as well.

CSO: 4600/141

SUCSESSES OF VOLUNTEER WORK DRIVE HAILED

Kabul KABUL NEW TIMES in English 20 Nov 82 p 1

[Text]

KABUL, November 20- (Bakhtar).— The workers and employees of the technical services department of the Mines and Industries Ministry took part in voluntary and collective work from 1 to 4 p.m. yesterday in honour of the PDPA CC Ninth Plenum resolutions on extension of the political work among the masses.

The voluntary work, organized by the primary organisation of the DYOA branch, was attended by 300 workers and officials of the department and has saved a big amount for the state.

According to another report, the workers, officials, revolution soldiers and members of the security press primary organisation, also carried out voluntary work from 8 a.m. till 12 noon yesterday for implementation of the 1361 plan.

A source of the press said that the voluntary work has been continuing from the beginning of the current

year till the end of month of Māzan, which has saved Afs 118,000 for the state.

Similarly, the workers and officials of the public relations department of the Higher and Vocational Education Ministry performed voluntary work yesterday.

Also, 47 workers and officials of the petroleum department of the north have offered to work one day in a week for half an hour after the official time voluntarily till the end of the current year.

For transferring 108,500 kgs of fuel wood of the residents of Afshar to their residences the members of the fifth party precinct, the fifth district of the Kabul municipality and members of the local council of the NFF some of the officers and soldiers of the 68th rocket unit and of the eight divisions voluntarily and collectively helped them yesterday.

PROSPECTS OF COOPERATIVE MOVEMENT PUBLICIZED

Kabul KABUL NEW TIMES in English 21 Nov 82 p 2

[Text]

Promotion and consolidation of the state sector of economy and expansion and development of the cooperative sector—one of the major pillars of the country's economy—have always been in the focus of attention of the Government of the DRA. The unity and cohesion of the working people in the cooperatives and creation of an extensive network of cooperatives of various types is one of the prerequisites for ensuring mass participation in economic development.

The revolutionary Government has paid ample attention since the victory of Saur Revolution and especially in its new phase to change the cooperative movement in the country into a genuine mass movement.

The recently held third plenum of the Central Council of Peasants' Cooperatives of Afghanistan has entrusted the members of cooperatives with important tasks.

The enforcement of the cooperatives law has paved the grounds for effective practical steps to be taken in this direction.

As a leading centre of the cooperative movement in the country, the Union of the Peasants' Cooperatives is responsible for carrying out all tasks entrusted to it under the cooperatives law and its own charter.

According to the new cooperative law, the cooperatives and the concerned unions assist the Government in the implementation of the land policy, marketing of agricultural produce, supply of raw materials, publicising of the party's and Government's policies, better regulation of sales and purchases policy and uniting of the big army of the workers, peasants and craftsmen in the National Fatherland Front.

Dwelling on the cooperative movement, the Programme of Action of the People's Democratic Party of Afghanistan sets the

following tasks in this regard: "All round assistance for the strengthening of existing cooperatives and the establishment of new cooperatives for preparation and sales of products of peasants and nomads on the basis of their completely voluntary membership and as a form of property having the prospects for carrying forward the agricultural affairs and drawing of peasants to sociopolitical activity; the outlining and implementation of the programme for growth, expansion and consolidation of state farms for increasing the state resources..."

The revolutionary Government's cooperative policy is aimed at ensuring the well-being and prosperity of the peasantry and giving due recognition to the large share of agriculture and live-stock breeding sector in the country's economy.

The successes achieved and the broad support by the peasantry and working masses to the young cooperative movement in the country promise desirable prospects for rapid development of the movement in the country.

CSO: 4600/141

NDP COMMITTEE MEMBERS SELECTED

Cairo MAYU in Arabic 20 Sep 82 p 8

[Article: Formation of the Committees for the Third Conference of the National Democratic Party.]

[Text] The committees of the third conference of the National Party have been formed. There are 20 committees. These committees include the deputy party chairman for foreign relations, the chairman of the consultative council, deputies, ministers, chairmen of special committees of the party, chairmen of the counterpart committees within the People's Assembly and the Consultative Council.

Following is a list of these committees and their members: Housing, Construction, and New Communities Committee.

Engineer Hasaballah al-Kafrawi, state minister for housing, Engineer Husayin 'Uthman, chairman of the Party Housing Committee, Engineer Muhib Stino, chairman of the Housing Committee of the People's Assembly.

Local Administration Committee

General Muhammad Ahmad el-Miniawi, chairman of the Party Committee, 'Abd al-Fattah al-Dali, chairman of the People's Assembly Committee, 'Ali Fawzi Yunis, deputy minister for local administration.

Manpower:

S'ad Muhammad Ahmad, minister of state for manpower, Counsel 'Adil 'Abd-al-Baqi, minister of administrative development, Ahmad al-Amawi, chairman of the Party Committee, Mukhtar 'Abd-al-Hamid, People's Assembly deputy, Ibrahim Shalabi, deputy of the Consultative Council.

Defense and National Security:

Lt General 'Abd-al-Halim Abu Ghazala, deputy prime minister and minister of defense and war production, General Hasan Abu Basha, minister of interior, Dr Jamal El-Sayid, state minister for war production, Kamal Henry Abadir, chairman of the Defense and National Security Committee of the People's Assembly.

Religious Affairs:

Shaykh Ibrahim el-Disugi, minister of state for religious trusts, Dr Muhammad Mahjub, chairman of the People's Assembly Committee, Shaykh Muhammad Hafiz Sulayman, in charge of religious affairs in the Party.

Social Security and Social Affairs:

Dr Amal 'Uthman, Minister of state for social affairs, Dr 'Abd-al-Wudud Yahya, chairman of the Party Committee, Husayn Wishahi, chairman of the Manpower Committee of the People's Assembly.

Popular Development:

Engineer 'Uthman Ahmad 'Uthman, chairman of the Development Committee of the Party, Yusuf Sabri Abu Talib, minister of state for popular development.

Programs and Ideology:

Dr Sobhi Abd el-Hakim, chairman of the Consultative Council, Mukhtar Hani, minister of state for People's Assembly and Consultative Council affairs, Dr Kamil Laylah, Dr 'Adil 'Izz, 'Ali Mansur.

Membership and Organization:

Fikri Makram 'Ubayd, chairman of the Permanent Council, Kamal al-Shadhili, Secretary of Organization of the Party.

Economic Affairs:

Dr Salah Hamid, minister of state for finance, Dr Kamal al-Janzuri, minister of state for planning, Dr Wajih Shindi, minister of state for investment, Dr Mustafa al-Sayid, minister of state for economy, Muhammad Rashwan, minister of state for People's Assembly and the Consultative affairs, Dr 'Atif Sidgi, chairman of the Central Auditing Bureau, 'Izzat Ghaydan, chairman of the Chambers of Commerce, Fatah Allah Rif'at, chairman of the Economic Committee of the People's Assembly, Dr Tulbah 'Uwaydah, chairman of the Budget and Planning Committee of the People's Assembly.

Youth:

Dr 'Abd-al-Ahad Jamal-al-Din, chairman of the Supreme Council for Youth and Sports, and Youth secretary of the Party, Sami Abaza, chairman of the Youth Committee of the People's Assembly, Muhammad Rajab, member of the Consultative Council and undersecretary of youth.

Agriculture and Irrigation:

Engineer 'Abd al-Hadi Samaha, minister of irrigation, Dr Yusuf Wali, minister of state for agriculture and food security, Mahdi Shuman, chairman of the People's Assembly Committee, Ahmad 'Abd-al-Akhar, chairman of the Party Committee, Engineer Sa'd Hajras, member of the Consultative Council.

Health and Family Planning:

Dr Muhammad Sabri Zaki, minister of state for health, Dr Mahmud Mahfuz, member of the Consultative Council, Dr Ahmad al-Banhawi, chairman of the Party Committee, Dr Hamdi al'Sayid, chairman of the People's Assembly Committee.

Education and Scientific Research:

Dr Mustafa Kamal Hilmi, deputy prime minister for services and minister of state for education, Dr Hasan Hamdi, chairman of the Party Committee, Dr Shafiq Balba', deputy of the Consultative Council, Dr Kamil Laylah, Dr Mahmud Radwan.

Food Supply and Trade:

Ahmad Nuh, minister of Supply and Internal Trade, Jalal Abu al-Dhahab, chairman of the Party Committee, Hasan 'Id 'Amar, member of the People's Assembly.

Culture and Information:

Safwat al-Sharif, minister of information, ' Abd al-Hamid Radwan, minister of culture, 'Abd-al-Mu'im al-Sawi, chairman of the Party Committee, Suhayr al-Qalamawi, chairman of the People's Assembly Committee.

Communication and Transportation:

Engineer Sulayman Mitawalli, minister of transport and communication, Engineer 'Abd-al-Fattah 'Abdallah, chairman of the Party Committee, Engineer Muhiy-al-Din 'Abd-al-Latif, chairman of the People's Assembly Committee.

Foreign Affairs:

Dr Mustafa Khalil, deputy party chairman for foreign relations, Kamal Hasan 'Ali, deputy prime minister and minister of foreign affairs, Albert Barsum Salama, minister of state for Emigration, Dr Butrus Ghali, minister of state for foreign affairs, Hamid Mahmud, chairman of the Arab committee of the People's Assembly Committee, Muhammad 'Abdallah, chairman of the Foreign Relations Committee of the People's Assembly, Dr Sayid Nufal, member of the Consultative Council.

Industry and Mineral Resources:

Engineer Fu'ad Abu Zughla, minister of industry, Dr Jamal al-Sayid minister of state for war production, Dr Ahmad 'Umar, chairman of the Party Committee, Engineer 'Abd-al-Wahab al-Habbak, chairman of the People's Assembly Committee.

Electricity, Energy, and Petroleum:

Engineer Ahmad 'Izz al-Din Hilal, deputy prime minister for production and petroleum minister, Engineer Mahir Abaza, minister of electricity and energy, Engineer 'Abd-al-Rahman Sirhan.

9607

CSO: 4504/5

RECOMMENDATIONS FOR ECONOMIC INTEGRATION WITH SUDAN

Cairo MAYU in Arabic 22 Sep 82 p 5

[Article: "Popular Development Committee: Projects for Egyptian-Sudanese Economic Integration to Curb Imports in Both Countries]

[Text] Members of the Popular Development Committee of the National Party called for the need to expand development projects. They requested the implementation of the slogan which calls for increasing production and eliminating the middle man. They also demanded conversion of the Egyptian villages into centers for agricultural industry and animal production in order to meet the needs of the Egyptian market, providing basic goods to the Egyptian consumer at prices that fit his income, and achieving self-sufficiency to realize the economic development. Engineer 'Uthman Ahmad 'Uthman said, "Imports is the real enemy to economic development. Confronting that enemy requires the increase of production, dependence on individuals, encouraging small savings of citizens, and utilizing such savings for production projects. "He added, "Now, the danger is the increase of our imports of foodstuffs such as oils, sugar, meat, and poultry. This serious phenomena cannot be eliminated only by money but by development and utilization of wasted skills. Those skills are existing and should contribute thought and effort specially there is a lot of capital in Egypt."

Dr Sulayman Nur al-Din, former minister of economy and member of the Popular Development Committee of the National Party talked about the Egyptian-Sudanese projects for integration in the field of popular development. He said, "Sudan is the natural extention to Egypt especially because Sudan has more than 200 million acres of cultivable land. The cost for preparing this land for cultivation will not exceed LE 100 Egyptian pounds per acre. This means a guarantee of providing Egypt with its food requirements from Sudan in addition to endless other resources. These resources can be utilized to provide Egyptians with their needs of food, specially since Sudan imports 30 percent of its food from abroad [as published]."

Said Hajrass, member of the Consultative Council said, "We have 4,000 villages that have 25 million people producing what they need, and 8 million that do not produce. Therefore, the result is that the Egyptian village changed from a producing village to a consuming one. This led to the existing imbalance and we became importers of our food needs."

He requested increasing the production through encouraging small farmers and distributing new breeds of milk cows. These cows produce between 4,000 and 7,000 kgs of milk a year on the average. He also requested dividing the villages into centers for agricultural industry, and milk stations to meet the country's milk and cheese requirements.

Muhammad 'Amir (Northern Sinai) requested that Sinai gets its share of the popular development especially as it is a governorate that has productive resources and the importance of Lake Bardawil as a national entity (institution). He warned of the threat to the fish in the lake for lack of LE 4 million Egyptian pounds and the lack of purity in the lake should be cleaned due to the increase of salt in the water. He demanded the intervention of the Ministry of Popular Development to market 2000 tons of olives produced annually by the governorate rather than leaving it to loss, and the production of dates as well in the (Wade) provinces.

Abd al-Majid Ramadan (a Buhayrah), said that the rise in the cost of land reclamation performed by popular development companies is attributed to the companies themselves. Until the cost of land reclamation is lowered, dependence on youths is requested. Land should be distributed to the youths and main (utilities) provided to the land. The banks must extend loans to the youths for land reclamation purposes and be repaid on long terms.

Shawgi al-Hawari, member of the Consultative Council called for the distribution of milk cows to the university graduates living in the villages instead of having them wait for the manpower employment since the income from a milk cow reaches LE 150 Egyptian pounds a month. This way, production will increase and an unemployment problem will be solved.

Mahir Muhammad 'Ali said, "The Committee for Popular Development is facing new difficulties and all obstacles must be removed. Special committees of the party must coordinate their efforts with the popular development committee in carrying out the plan."

The national banks should reach out to the Egyptian villages through establishing branches in the villages and utilizing the village savings for the benefit of the village itself. He added, "The committee for popular development can mobilize the national party through its masses in the villages and governorates, and through the establishment of agricultural and industrial projects."

At the end of the discussions, Yusuf Sabri Abu Talib, Minister of Popular Development said, "The public sector does not yield more than 10 percent of the production, and the remaining is produced by private sector. We are attempting to make the competition an outstanding one. Through planning and integration between the sectors of popular development, we are trying to create a local market for every quality product until we reach the export production and provide the infra-structure for the production projects."

The members recommended the following at the conclusion of the discussions:

Opening the door for all forces and national movements for the sake of increasing production and inviting all citizens to participate in the popular development of projects.

Increase production should be a national goal to be achieved by popular and government efforts.

The national state plan should include projects and activities that can be undertaken by both public and private sectors.

The need to stabilize laws and regulations that govern the commercial and economic activity including simplification of procedures and shortening the time in obtaining authorization.

Granting some custom and tax privileges to the production projects in order to encourage national capitalism; thereby increasing investment contribution and reducing the volume of imports.

Also the recommendations asserted the need for government contribution to limit the production cost, establishment of a well defined policy for energy prices, provision of land for projects at a reasonable cost, and allocation of a share of hard currency at promotional prices in order to reduce the cost and lower the prices.

The need to treat national banks for development and commercial banks equally by allowing the development banks to deal in foreign currency.

Granting permission to the public sector and public institutions to deal with the development banks.

Allocating a percentage of loans with lenient terms out of the state loans to be used for projects that enable these banks to carry out its banking and production responsibilities.

Considering these banks as an extension of the state banks. The need to have these banks and insurance companies participate in development projects in order to encourage the small share holders to utilize their savings in the proposed projects and generate maximum number of projects on a regular basis.

Returning the Egyptian village to its proper producing capacity by providing the production needed to increase the village production, limiting the imports of food, and converting the Egyptian villages to producing ones instead of consuming villages.

The recommendations stressed the need to continue with human development by following up projects which are in the stage of production and especially those which have been completed or are in the process of completion.

9607

CSO: 4505/5

OIL SECTOR PRODUCTION TO INCREASE

Cairo MAYU in Arabic 21 Sep 82 p 7

[Article Ahmad 'Izz al-Din Hilal states before the Committee of Petroleum, Power, and Electricity: 16 New Oil and Natural Gas Fields; \$670 million for Nuclear Power Projects; Our Goal is 50 million tons a year in 1985]

[Text] Engineer Ahmad 'Izz al-Din, deputy prime minister for production and petroleum announced the discovery of 16 new oil fields including 2 fields for natural gas this year. These fields are currently being developed and evaluated for production soon.

Yesterday evening, the deputy prime minister mentioned in his statement before the Committee of Petroleum, Power, and Electricity of (the convention) that the production of crude oil and natural gas increased to 34.5 million tons this year. It is estimated that the production will reach 40.3 million tons next year. The refined crude oil in the refineries increased to 15.6 million tons and will increase to 16.6 million tons next year.

Engineer Ahmad 'Izz al-Din said that the value of the locally consumed petroleum and natural gas products this year is estimated at \$3.642 billion based on the export-import prices, and \$934 million based on domestic prices.

The difference of \$2.708 billion represents the indirect subsidy to the petroleum local consumption. This difference will be \$2.603 billion of the production value next year. The net payment balance of foreign currency achieved by the petroleum sector of its foreign trade increased from imports and exports reached \$2.475 billion in 1981/1982. It is expected to reach \$2.725 billion next year. The deputy prime minister for production and oil minister asserted that \$444 million has been allocated to finance nuclear power projects and \$226 million to finance alternate energy source projects. Engineer Ahmad 'Izz al-Din Hilal outlined four main goals to the Ministry of Petroleum covering Egypt's petroleum requirements through domestic production, providing enough of the petroleum reserves, making oil an important source of national income, and becoming a main source for foreign currency. Twelve new agreements have been concluded this year with 6 international companies to explore oil in the Western desert, Suez Gulf, Sinai, Red and Mediterranean Seas.

Million Barrels a Day

The goal of the ministry is to achieve production of 1 million barrels a day or 50 million tons yearly during the next 2 years until 1984/1985, he added.

The state subsidized the butane gas by 62 million Egyptian pounds this year. The subsidy will reach 65 million Egyptian pounds next year.

Engineer Ahmad 'Izz al-Din Hilal indicated that 160,000 housing units will be supplied with natural gas during the next 4 years. Necessary studies are being conducted for a similar project for Alexandria and Giza cities.

9607

CSO: 4504/5

'IRNA' REPORTS ON IRANIAN ELECTIONS

GF101830 Tehran IRNA in English 1726 GMT 10 Dec 82

[Text] Tehran, 10 Dec (IRNA)--[words indistinct] the director of the national elections headquarters has announced that the voting period for the assembly of experts and the Majlis by-elections might be extended for the second time because of higher-expected voter turnout across the country.

The voting period had already been extended once when voting officials decided to close polling stations at 2000 hours this evening instead of 1700 hours (local time).

Tehran said that most provinces had requested more ballots, including the Kurdish populated provinces of West-Azarbaijan and Kordestan, which he said would be promptly supplied.

Reports from IRNA correspondents in Orumiyeh, provincial capital of West-Azarbaijan, and Sanandaj, the capital of Kordestan, said that despite the freezing cold temperatures, the peoples response to the elections was overwhelming and unprecedented.

The significance of today's elections for the Kurdish people of the country is that besides the elections for the assembly of experts, they are voting for the first time for their candidates to the Majlis.

Because of the insecurity created by the armed counterrevolutionary groups in the region after the Islamic revolution, the Kurdish people had not been able to participate in the Majlis elections ever since it was established in the spring of 1980.

The Kurdish people will vote for one representative in Bukan, in West-Azarbaijan Province (out of a total of two candidates), one representative in Piranshahr, in West-Azarbaijan Province (out of a total of five candidates), one representative in Mahabad, in West-Azarbaijan Province (out of a total of three candidates), one representative from Orumiyeh, in West-Azarbaijan Province (out of a total of

two candidates), two representatives in Sanandaj, in Kordestan Province (out of a total of three candidates), one representative for the towns of Saez and Baneh, in Kordestan Province (out of a total of three candidates), one representative from Marivan, in Kordestan Province (out of a total of four candidates), and one representative from Paveh, in Bakhtaran (formerly Kermanuhahan) Province (out of a total of three candidates).

The elections were made possible in this region by a series of wide-scale purging operations against armed counterrevolutionaries, especially in West-Azarbaijan Province, which has so far led to the liberation of the Sardasht-Piranshahr axis last month.

The operations began in September after the establishment of the Hamzeh-Seyyed [words indistinct] revolutionary guards military headquarters in the region.

CSO: 4600/143

REPORT ON ELECTION BOYCOTT

GF101108 (Clandestine) Free Voice of Iran in Persian to Iran 1500 GMT 9 Dec 82

[Text] The general secretary of the Kurdish Democratic Party [KDP] in Iran requested members not to participate in the elections for the Council of Experts. This is an official boycott by the Province of Kordestan. Although the inhabitants of Kordestan are not all members of the KDP, the religious leaders namely, Sheykh 'Osman Naqshbandi, Sheykh Ezzedin Hoseyni, 'Abdolrahman Qasemlu, the religious and political leaders of Kordestan and also the National Iranian Organisations, such as the National Salvation Front, the Jebhe-ye Melli-ye Iran have declared the Council of Experts' elections as unlawful and illegal, and it is therefore expected that not only in Kordestan, but also in most of the Kurd-inhabited areas of our country, Western Azarbayjan, Kermanshahan and Ilam, the people will refrain en masse from participation in the rigged experts' elections.

Similarly, in the Province of Hormozgan, Sistan Va Baluchestan, Khorasan and the tribal areas, the people will not go to vote.

Reports from the central, northern and western parts of the country indicate the indifference of the people to the mullahs' efforts. Therefore, a regime which wishes to drag people to the polling booths through duress and coercion cannot claim that the elections took place in a free atmosphere and with the will of the people.

It may be recalled that regarding the silence of the sources of religious (?guidance) inside the country, his eminence Ayatollah Mehdi Ruhani, the leader of the Shi'ites in Europe, issued an edict saying: Woe to him who remains silent for fear of harassment. His eminence Ayatollah Ruhani issued the edict on the basis of the eastern (?logic) regarding the illegality experts' elections.

CSO: 4600/143

MOBILIZATION CHIEF ELABORATES ON ORGANIZATION'S ROLE IN IRAN-IRAQ WAR

Tehran TEHRAN TIMES in English 23 Nov 82 p 1

[Text] Tehran (IRNA)--The Basij (the Mobilization forces of the oppressed) has so far dispatched over 250,000 volunteers to the fronts of the Iraqi imposed war on Iran, it was announced here yesterday.

The head of the organisation, Hojjatoleislam Salek gave a detailed account of the achievements of the Islamic combatants during the Moharram Operation started on November first and declared that the Basij "is now capable of mobilizing the people and send volunteers in the form of battalions, brigades and divisions as it is required."

Hojjatoleislam Salek said heavy life and weaponry losses were inflicted on the enemy and listed that Iraq's brigades Nos 423, 505, 606, 103, 9, Battalion No 11 and the 17th Armoured Brigade had been destroyed by the Islamic combatants.

He said over 46,000 Iraqis had been taken captive and more than 60,000 were killed during the 28-month-old Iraqi imposed war.

He added that the Islamic forces had gained the upper hand when they liberated and stationed themselves on the strategic heights during the course of the Moharram Operation.

The strategy of the strugglers of the Islamic Republic of Iran, continued Salek, was to defeat the Baathist and Zionist-backed regime of Saddam and liberate Karbala. (Karbala is a city in Iraq where Imam Hussein (A.S.), the Third Imam of the Household of the Prophet (S.A.W.) rests).

The next objective of the Iranian nation, noted Salek, is to liberate Qods (Jerusalem), and said that with the help of God these goals will be achieved.

Speaking on the unprecedented response by the Iranian people to mobilize at the fronts Hojjatoleislam Salek said that the Moslems of Iran felt ashamed if they had not yet offered to the Almighty God, a martyr for Islam.

He said the people of the Caspian Sea area had proved their loyalty to Islam as it was done by the people of Isfahan.

Commenting on the response to the Fatwa (religious decree) of Imam Khomeini for giving priority to the war he said the people offered their services in such a great numbers that it was really difficult to handle them.

He said to avoid any bottlenecks, the Islamic Revolutionary Guards Corps (IRGC) set certain criteria for the recruitment of the volunteers.

He said the Iranian people have made history in the war during which some unprecedented events had taken place with the resistance of the combatants through their faith against Iraqi weapons.

He said that the organization was formed three years ago on November 26, 1979 upon the orders of Imam Khomeini and pointed out that it was the time when the U.S. fleet was sailing towards the Persian Gulf in a futile effort to threaten the Iranians just because they were opposing all the U.S. plots in the region.

Hojjatoleslam Salek said that the Basij had more than 20 million volunteers at its disposal.

He said also that week-long ceremonies would be held on the occasion of the anniversary of organization's establishment.

CSO: 4600/132

IRAN-IRAQ WAR: 'IMPLACABLE CONFRONTATION OF TWO IRRECONCILABLE REGIMES'

Paris LE MONDE DIPLOMATIQUE in French Nov 82 p 8

[Article by Ahmad Farouhy: "The Iraq-Iran War: An Implacable Confrontation Of Two Irreconcilable Regimes"]

[Text] As the war between Iraq and Iran enters in its third year, chances for peace appear still more improbable than on the first day of the hostilities. Ayatollah Khomeyni often stated that this war could end only with the fall of President Saddam Hussein and the Iraqi Ba'thist regime, and that the issue of the conflict would be determined not by negotiation but by the arms. However, the fall of Ba'thism in Iraq and its replacement by an Islamic regime under Iranian tutelage would not only imperil the political stability of the Gulf emirates, but also that of the Ba'thist regime in Syria where Islamic integrist have formed a strong opposition to President Hafiz al-Assad.

On 22 September 1980, at dawn, claiming it wanted to force Ayatollah Khomeyni's regime to recognize its territorial demands, the Council of Iraqi Revolution ordered its troops to attack Iran. The many foreign journalists who had come to Baghdad to witness a campaign which Iraqi leaders expected to be short were told that it would be "a mere military walkover."

According to Baghdad, approximately 210,000 Iranian troops were killed, 200,000 wounded and 10,000 made prisoners between the start of the hostilities and September 1982; according to Tehran, on the other hand, over 90,000 Iraqi soldiers were killed, 170,000 wounded and 50,000 made prisoners--i.e. a total of 300,000 dead, 370,000 wounded and 60,000 prisoners. Even if these figures are questionable, their very magnitude is a tragic evidence of the fierceness of the fighting.¹

On the other hand, the war has until now made relatively few victims among the civilian population, especially in the southwest of Iran, the theater of most military operations, since most inhabitants quickly fled the front zone. Soon after the liberation of occupied territories, many of these refugees went back to their native regions, only to find desolation and ruins.

How could it have been otherwise? For close to 22 months, the 3 provinces of Bakhtaran (former Kermanshah), Ilam and Khuzestan, at the border with Iraq, were changed into a gigantic battlefield covering over 5,000 square kilometers. Most Iranian towns west of the Qasr-e Shirin-Abadan road (approximately 750 km) were totally destroyed; the industrial city of Abadan—250,000 inhabitants before the hostilities—which possessed the largest oil refinery in the world, is now in ruins; the port city of Khorramshahr—300,000 inhabitants before the war—which used to be Iran's largest freight port, has been reduced to an immense heap of rubbles... Most industrial infrastructures, oil and petrochemical facilities in the south of Iran—Ahvaz, Dezful, Bandar-Mahshahr, Bandar-Khomeyni (formerly Bandar-Shahpur), Kharg island, etc.—have also suffered considerable damage from Iraqi bombardments. Thus, on 4 June, at the Tehran university, in a speech pronounced at the Friday prayer, the president of the Islamic Republic, Hojjat ol-Eslam Seyyed 'Ali Khamene'i, estimated Iranian war damages at "some 150 billion dollars."

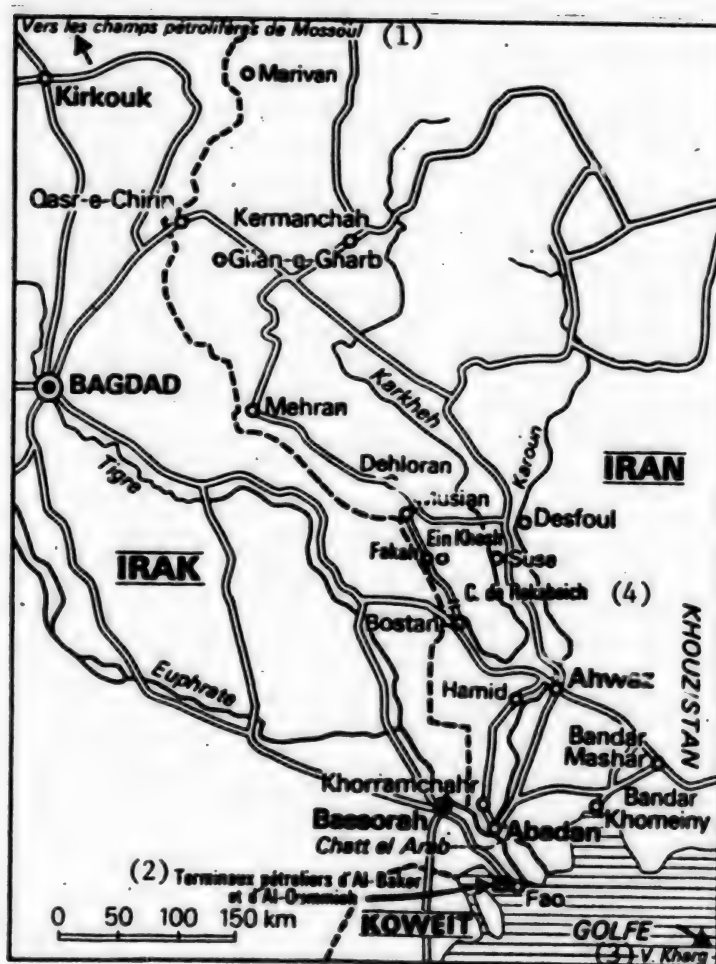
Until now, the aviation and artillery of Ayatollah Khomeyni's forces have not taken Iraqi towns as targets, but they have systematically pounded Irak's oil facilities: bombardments, especially those of the oil fields near Mosul, the Kirkuk refinery, the Al Bakr and Al Ummieh platforms and oil terminals, the Faw and Basra port facilities, have inflicted heavy material losses on the Baghdad regime, often forcing it to discontinue its oil exportations and borrow from its Arab allies. The damages suffered by Iraq are difficult to estimate with precision at present, but at the end of 1981 they were estimated at over 5 billion dollars, and the loss of revenues due to the reduction of oil exportations at 35.2 billion dollars.²

Nevertheless, in spite of the victims and the ruins, there is no indication that the hostilities could stop. For a good reason: this war is not so much the consequence of the antagonistic territorial claims of the two countries as that of the incompatibility of the two political regimes that rule them.

Border Dispute of Secondary Importance

The reasons officially given by Iraqi leaders to justify their war against Iran are, first, their refusal to recognize the present border between the two countries and, second, the fact that they question Iranian sovereignty over Abu-Musa, Greater Tunb and Lesser Tunb, three small islands in the straight of Hormuz, which the shah's army occupied in 1971 but which, according to Baghdad, belong to the United Arab Emirates. Yet, in 1975, to deprive the autonomist Kurdish rebellion in the north of Iraq from the vital support it was receiving from Mohammad Reza Shah, President Saddam Hussein gave satisfaction to the Iranian monarch on the border question: under the agreements signed by the two leaders in Algiers, Baghdad finally agreed to recognize the drainage line as the Shatt al Arab river border; in exchange, Tehran agreed to minor rectifications in the land border but, above all, it withdrew its support to Kurdish rebels and ordered them to refrain from any subversive infiltration from Iranian territory.

However, a few months after the victory of the Islamic revolution, the Baghdad regime revived the territorial question and demanded that the new government



Key:

1. To the Mosul oil fields
2. Al-Baker and Al-Oummieh oil terminals
3. To Kharg
4. Rekabeich pass

in power in Tehran agree to a revision of the Algiers agreement and to an evacuation of the three islands. Starting in 1980, Iraq-Iran relations deteriorated rapidly and led to increasingly violent border skirmishes until, on 17 September, President Saddam Hussein denounced the agreement and, five days later, ordered his armies, to attack Iran, stating he would continue the war until Iran recognized Iraqi sovereignty over the Shatt al Arab and evacuated Abu-Musa and the two Tumb islands. Why did the fall of the shah bring about such a reversal of Baghdad's position?

Actually, since the advent of the Islamic Republic in Iran, the main problem facing Iraqi Ba'thist leaders was that of their regime's very survival, rather than the border question. Ayatollah Khomeyni nourishes an implacable hatred for them, the fruit of his 15 years in exile in Irak, and always considered Ba'thism—which purports to be the defender of Arab nationalism, socialism and above all secularism—as one of the three great enemies of theocratic Shiism, in the same way as the egalitarian Islam advocated by the Iranian Mojahedin-e Khalq, and Marxism.³

As a result, as soon as his regime was installed in Iran, the ayatollah tried to foment an Islamic revolution in Iraq—especially through the clandestine A-Da'wah al-Islamiyah, a Shiite movement that supports Iran—and his agents focused their efforts on terrorism and subversion, triggering violent riots which forced the Ba'thist regime to have recourse to a bloody repression. Faced with the grave danger which the Shiite revolutionary movement controlled from Tehran represented for him, President Saddam Hussein chose to flee forward: if they were to have a war, Baghdad leaders thought, would it not be better to have it outside the national territory, to strike at the enemy's very heart? All the more so as, at the end of 1980, the anarchy which reigned inside the Iranian state apparatus, the military conflict with Kurdish autonomists, the army's increasing opposition, the rivalries of the clans in power, and the international community's ostracism as a result of the taking of U.S. diplomats as hostages, appeared to have brought Ayatollah Khomeyni's regime on the verge of disintegration. However, Baghdad's strategists were to commit a serious error: instead of exacerbating divisions in the enemy camp, their propaganda was to promote union, which enabled the Iranian people to repel their military offensive.

Indeed, right from the start of the war, Ba'thist leaders used nationalism as the spearhead of their propaganda and announced that their fight was that of "the Arabs against the Persians," interspersing their statements with racist references, especially in comparing the current conflict with the great battle of Qadisiya—which took place in the year 636 and resulted in the victory of Caliph Omar's Arab Muslim forces over Yazdegerd III's Persian armies, as a prelude to the fall of the Sassanid empire and the islamization of Iran. Statements presenting the Iranian Khuzestan—which the Iraqi renamed Arabistan—as "an Arab land occupied in the same way as Palestine" and President Saddam Hussein's statements claiming that if Iran were to resist he would continue the war until that land was destroyed and dismembered, immediately engendered a strong nationalistic reaction among the Islamic Republic's armed forces. This reaction was soon translated into

facts, as the various military decision centers, which had been rivals, were coordinated through the creation of a higher defense council which was to iron out their differences. Toning down their dissensions, the regular Iranian armies and the pasdarans—the powerful Islamic militia—began to cooperate closely in order to repel the invader: this "sacred union" between the professional army and the various paramilitary groups accounts for much of the Iranian success.

However, other decisions, both strategic and tactical, also weighed heavily on the course of the war. Briefly, the war went through three stages: at first, the Iraqi attack enabled the Baghdad forces to occupy the border towns of Qasr-e Shirin and Mehran in the north, to push all the way to Gilan-e-Gharb, to invest Bostan in the central sector and, finally, on the southern front, to conquer the port town of Khorramshahr and encircle Abadan. Early in November 1980, the front line extended over 1,500 km, but the Iraqi penetration—at its most advanced point—did not much exceed 50 km. A second stage, which lasted close to six months, followed; during it fighting seemed to drag on and turn into a bloody static warfare punctuated with air bombardments of military objectives and intensive artillery duels. However, starting in September 1981, the Iranian forces moved into the attack: a vast series of offensives took place almost continuously, and enabled them, within two months, to break the siege of Abadan and free Bostan; then, in April 1982, to break through the center of the front—southwest of Dezful—and finally, in May, to reconquer Khorramshahr, thus forcing President Saddam Hussein to announce officially early in June that he was withdrawing his troops from the few pockets they were still occupying on Iranian territory.

Since mid-July, Ayatollah Khomeyni has decided to bring the war to Iraqi soil and we can ponder over the Baghdad regime's strategic errors, the most decisive one being its choice of objectives. Why is it that, right from the start of the hostilities, the Iraqi forces did not attack the Dezful air base, the largest in Iran, or Ahvaz, capital of Khuzestan and a railroad junction and industrial center, and why did they choose to get bogged down for five weeks in a bloody street battle in Khorramshahr and to immobilize themselves for months at the siege of Abadan? According to western military observers, the Iraqi general staff counted on a blitzkrieg and was surprised by the fierce resistance of the Iranian infantry and paramilitary groups at the time of the capture of Khorramshahr. It was so costly in human lives and equipment that it deterred Iraqi strategists from attacking other towns, especially Abadan, Dezful and Ahvaz. All the more so as the Ba'thist power had expected a massive uprising of the Arab population of Khuzestan against the "Persian occupation forces," which did not take place.

Finally, the serious defeats suffered by the Iraqi army were due to a large extent to the fact that they had underestimated the enemy's military potential. Certainly, the Iranian army, which the shah had used as an instrument of repression and which, not so long ago, had been the most powerful in the Near East, seemed to have suffered a lot from the new regime's successive purges, 12,000 officers having been executed, arrested or dismissed since the revolution. In addition, its striking power had been considerably reduced as a result of the U.S. embargo on weapons and spare parts following the taking

of hostages. Nevertheless, on the eve of the conflict it was still a formidable war apparatus.

According to western specialists,⁴ if one includes paramilitary forces, Iran and Iraq then had mobilized approximately the same number of troops: 300,000 men in each camp. However, the ayatollah's regime could rely on 400,000 reservists, whereas its opponent had only 250,000. But the Iraqi land forces had 2,700 Sovietic and French tanks and 1,000 pieces of Soviet-made heavy artillery. Thus, their firing power was superior to that of the Islamic Republic which could line up only 1,500 U.S. and British tanks and 1,000 pieces of artillery of various origins. On the other hand, the Iranian navy and aviation were definitely more powerful. To Iran's battle fleet of some 40 ships, including destroyers and frigates, the Iraqi navy could oppose only a few missile launchers. Although the Iranian aviation, with its 440 fighter planes, was better equipped and better trained than Iraq's, which possessed only 330 aircraft, many of Iran's fighter-bombers were inoperative due to a lack of U.S. spare parts. Thus, both in men and equipment, the ayatollah's forces had a slight edge over President Saddam Hussein's, although the latter could count on unrestricted arms deliveries.

Seen from a military point of view, the war against Iran was a failure for Iraq; however, as far as domestic policy is concerned, it benefited the two belligerent regimes. Indeed, contrary to what Tehran had expected, the baasist regime was able to hold its own in spite of the serious setbacks suffered by its army. The latter did not turn against its political leaders, as the Islamic regime had hoped. Nevertheless, President Saddam Hussein's stability is still essentially dependent on the religious identification of the Arab population, which is 80 percent Shiite. Should Ayatollah Khomeyni carry out his threats and send his troops to attack Baghdad, would the nationalism of the population be stronger than Shiite solidarity, its ethnic origins stronger than its religious faith?

Ba'thist Regime Threatened

As far as Iran is concerned, President Saddam Hussein's predictions turned out to be just as false: far from being shaken by Iraq's attack, as Baghdad had expected, the "guide of the Islamic revolution" saw his prestige increase and the people rally to his person in resisting the invader. In addition, the conflict enabled him to strengthen the pasdarans--the militia--to counterbalance the power of an army which he did not trust and to use them to get rid of his "rightist" and "leftist" opponents, thus depriving the country of any alternative solution. Finally, the war gave the Islamic regime an opportunity to evade its serious economic problems, for which it is responsible in part and which are far more dangerous for it than the continuation of the war with Iraq.

Determined as he is to pursue the war until an Islamic republic is installed in Baghdad, and having reversed the ratio of power in his favor, Ayatollah Khomeyni must now make a choice: either he continues his military offensive on Iraqi territory--with all the risks of failure that it implies--or he keeps his army on the border and tries to overthrow the regime from the

outside using the Shiite groups in his allegiance. Either way, if the possibility of the fall of the Ba'thist regime were to materialize, it would have international repercussions charged with consequences.

Until now, the great powers and the states of the region have refrained from any active intervention in the conflict. For instance, at the last meeting of Messrs Shultz and Gromyko in October--on the occasion of the U.N. General Assembly meeting--the two ministers agreed that it was "necessary to put an end to the Iraq-Iran conflict," a position which has not varied much since the start of the hostilities. That position is also that of all western capitals where officials state that a suspension of hostilities must be arrived at but do not take sides for Baghdad or for Tehran. Certainly, some Islamic countries have at times provided economic and diplomatic support to one or the other camp, but this support remained extremely moderate and uncertain, and did not have much impact on the course of fighting. Kuwait is said to have already lent about 4 million dollars to Baghdad--other Gulf countries, especially Saudi Arabia, are said to have advanced large amounts--and Jordan and Egypt provided respectively a few hundred volunteers and military equipment. For his part, the ayatollah's regime received expressions of sympathy from the Steadfastness and Confrontation Front--Algeria, Libya, South Yemen, PLO and Syria--but the latter is the only one which still publicly supports Tehran in its fight against the Baghdad regime, and its support remains purely verbal. However, according to Mr Ariel Sharon, Israel's minister of defense, the Jewish state supplies limited quantities of arms to Iran. According to Mr Sharon, Israeli aid--which is estimated at 27 million dollars and includes, among other things, spare parts for the U.S.-made Iranian F-4 aircraft--has been only "symbolic" and "limited."⁵ Other sources believe that it was in fact much larger. However that may be, the international community could soon abandon its relative neutrality, should the Iranian military offensive seriously threaten President Saddam Hussein's regime.

FOOTNOTES

1. According to U.S. officials, the total human losses since the beginning of the war are close to 80,000 dead, 200,000 wounded and 45,000 prisoners. INTERNATIONAL HERALD TRIBUNE, 6 August 1982.
2. PETROLE ET GAZ ARABES, Paris, 1 December 1981.
3. See Ahmad Farouhy: "Secularism and Theocracy in the Near East," LE MONDE DIPLOMATIQUE, November 1980; and "Open Warfare Follows Faction Dissensions Within the Iranian Islamic Movement," LE MONDE DIPLOMATIQUE, August 1981.
4. See: "The Military Balance 1980-1981," International Institute of Strategic Studies, London, 1980
5. WASHINGTON POST, 28 May 1982.

IRAN'S NAVY NOW STRONGER THAN ON FIRST DAY OF WAR

Tehran TEHRAN TIMES in English 27 Nov 82 p 1

[Text]

TEHRAN (IRNA) -- Iranian Navy with a history of 54 years since its foundation is now considered as the oldest and most competent in the Persian Gulf region, said Iranian Naval Forces Chief Captain Bahram Afzali on Thursday.

Addressing a press conference he said the Iranian Navy personnel were the most educated, experienced, having richest calibre of efficiency and combat power in the Persian Gulf region.

Capt. Afzali said that the Iranian Navy has no difficulty or shortage of spare parts. He said the Naval forces have all necessary experts at all levels who can handle repairing and operation of the most sophisticated machinery belonging to the Navy.

He said that the active assistance of the masses removed all the obstacles on the

way of the Iranian Navy and pointed out that now they (Navy forces) are doing certain jobs which were never done by the Iranians during the ex-Shah's regime.

He also said the naval power of Iran is much more greater than on the first day of the imposed war.

Capt. Afzali said Iran officially has taken guarantee for the security and safety of the Persian Gulf and the Strait of Hormuz. He said Iran has proved its capability of safeguarding the marine route in the Persian Gulf.

He said the enemies of Islam mislead the people when they say Iran has created difficulties in the marine activities in the Persian Gulf. He said the enemies through such misleading propaganda have no other objective but to pave the way for greater presence of the imperialists in the region.

IRAN'S NAVY SAID MOST COMPETENT IN GULF

Tehran KAYHAN INTERNATIONAL in English 27 Nov 82 p 2

[Speech by Naval Forces Chief Capt Bahram Afzali]

[Text]

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THIRD ANNIVERSARY OF MOBILIZATION OF OPPRESSED HAILED

Tehran KAYHAN INTERNATIONAL in English 27 Nov 82 p 2

[Editorial by S. Moadab: "Confidence in Ourselves"]

[Text]

Three years ago Imam Khomeini ordered the formation of a popular force which was later entitled Bassij Mustaz'afin, meaning the mobilization force of the oppressed people. Prior to this order the Corps of the Revolutionary Guards as well as the revolutionary committees were formed. These two latter forces, as the pillar backbones of the safeguarding forces of the Islamic Revolution have up to now, done valuable services for the revolution. The Revolutionary Guards Corps, or simply Sepahe Pass-daran has had such an important role that Imam once said "Without Sepah the Revolution could not exist." The significance of Sepah was observed specially when the Ba'athist imposed war was declared against us. During the almost two and a half years which passes since the outbreak of the conflict, Sepah has done such miraculous services and its members have made such great sacrifices that no revolutionary Iranian can even imagine all these victories in the battlefields without Sepah.

The formation of Sepah was a very timely necessity for the revolution. Alongside the army of the Islamic Republic, Sepah now forms a very reliable potential force which can ensure the continuity of the Islamic Revolution (I.R.). Even though the majority of Sepah members come from the most deprived families and young men most devoted to Islam, it was seen that for a revolutionary country invincibility could not be achieved unless a popular force embracing all strata of the society, ages and social groups,

was formed. This is why according to the revolutionary exigencies and due to the experience learned from the previous revolutions which were defeated because they lacked a popular force, that Imam Khomeini raised the idea of Bassij.

And today we do not exaggerate if we claim that the Islamic Movement, here and there, could be hopeful that alongside Sepah, it has a very powerful arm formed of men and women of all ages. The brilliant role of Bassij is understood better when it is said in all the battlefields we have in the west and south, Bassiji volunteers are in the front lines. The Western enemies of the Islamic Revolution call these determined young men "the teenagers who are the first to be killed." But for us these "teenagers" mean something else.

In three years, two and a half million of our people have been trained and four hundred and fifty thousand have been sent to the war-fronts. All over the country this force has six thousand "resistance nuclei" and nine thousand of "resistance groups." This simply means that in six thousand centers of mosques we have nine thousand groups which englobe 2.5 million people who can use arms, can defuse bombs or landmines, and so forth. It is true that due to these volunteers our vulnerability has decreased to a very great degree. It is true that by training hundreds of thousands of Bassijis we have access to a very rich human resource. It is true that by their participation at war in every corner of our Islamic homeland we enhance the political maturity of our people and we deepen their anti-Imperialist and anti-Zionist hatred. But it is also true that if a government does not have confidence in itself, and does not merit a popular backing of millions of people it does not arm 2.5 million people.

Bassij and Sepah, and the government of the Islamic Republic have a mutual effect on each other. Our prime minister has often said his cabinet has 36 million members. Because of this characteristic it has the confidence and loyalty of the great Iranian people. And this popular support gives it a very special particularity which is very rare at least among the Third World countries. Those who think by helping the Iraqi dictator he can continue this war,

seem to be blind to these realities. The Ba'athist regime has to send soldiers to the battlefield by force, it has to hire mercenaries from other Arab countries and all the small and smaller Arab countries ruled by reactionary and puppet regimes and which have to obey their rulers and send their boys to fight against the Islamic Revolution contrary to their personal desires.

We, on the other hand are proud to have organized our defense by millions of volunteers who go to the war, pay for the war and ask the government to let them advance further to ensure the safety of the revolution for which they have offered thousands of martyrs. By having Bassij and by celebrating its third anniversary we declare to the world that because we enjoy an unconditional popular support we have confidence in ourselves. And thanks to this self-confidence we are convinced of the invincibility of the Islamic Revolution.

CSO: 4600/130

FUNCTIONS OF ASSEMBLY OF EXPERTS EXPOUNDED

Tehran KAYHAN INTERNATIONAL in English 28 Nov 82 p 2

[Editorial by S. Moadab]

[Text]

It is said that an assembly is a company of persons collected together in one place usually for some common purpose, such as deliberation and legislation. If this definition is true, then to discuss what the Assembly of Experts (A.E.) is we must inevitably speak about the "common purpose" and clearly of the word "expert."

The subject chosen for this special issue's editorial is evidently not chosen accidentally. It is now more than a month that here and there the Iranian people are talking about it. And specially Imam Khomeini has been underlining its importance. Today in an audience given to a group of university students, Imam talked once more about the significance of this day and urged the Iranian people to take an active part in the general elections in which the Experts must be elected.

Before we continue to speak about this assembly we should note the fact that we have been hearing from the non-Iranian media that whatever stability the Islamic Republic has enjoyed it will be automatically destroyed as soon as "Ayatollah Khomeini passes away." This strange idea which has been jointly developed by the enemies of the Islamic Revolution (I.R.) has its own reasons to be spread. Those unfamiliar with our Muslim people's psychology see that with a single word of Imam the whole population reacts and before the founder of the Islamic Republic has expressed his view they do not take a clear cut position on a social event. This unanimous obedience of Imam's view is considered by the West as a symbol of destruction for the Islamic Republic "after the Imam." Of course, without Imam this Revolution could not be triumphant. No Iranian can even imagine what direction this profound movement would have

taken if at the outbreak of the public dissatisfaction against the imperial regime Imam was removed from the political scene of the Islamic Revolution. Owing to the invincible will of Imam we have paved this very hard way and after having left all hindrances behind we are where we are now: at the climax of our Islamic honor and dignity.

But one point is clear for us and dark for those who cannot understand the basic philosophy of this Revolution.

We believe due to the method of leadership Imam Khomeini has revealed, our people now have a live model and they will remain loyal not only to the Imam but also to his ideas. For this reason because we are certain about the Islamic understanding and political maturity of our people even if one of our leaders during Imam's life (that we wish to be as long as possible) or after him deviate from the way Islam and Imam have depicted for us, we will bring this man down. As the world can witness we did what we say with Baniadr. Wasn't he the first president of the Islamic Republic? Had he not obtained eleven million of the votes in our first presidential election? Was he not awarded the stupendous post of Commander-in-Chief of our armed forces? Then why is he living in a shameful way in Paris now? Is it not because he deviated from the sense of Revolution designed by the blood of thousands of our martyrs?

At any rate the Assembly of Experts is a constitutional institution which is regarded as a precautionary entity in this Republic. As we have very often said, and written, because of the very special character of leadership in the Islamic Republic we cannot be sure of the safe continuation of the permanent Revolution if we do not have a Valie Faghih (as in Imam Khomeini). For this reason we have to lay the cornerstone of the institutions predicted by our constitutional law. As we know according to the latter the affairs of the Islamic Republic must be run by a "Council of Leadership". And evidently if this council elects one of its members (obligatory Faghih) as the most prominent then we'll have the leader of the Islamic Republic. What is called the Assembly of Experts is in fact an assembly of learned men in Islam which will decide about the Council of Leadership.

But is it the unique legal means which can decide who must run our affairs? To the astonishment of many of those who do not understand this Revolution, No! Before answering this question we ask how did Imam Khomeini become leader of the Islamic Revolution? The question lies in the glorious memories of millions of people coming into the streets and shouting the "Rahbare Ma Khomeini" meaning our leader is Khomeini! Therefore, in case the majority of the

Iranian people agree upon a single man, we do not need to have our leader elected even by the Assembly of Experts. But the very existence of this organ is necessary with reference to all bitter events we have had in Iran in the last four years. The events in which we lost Ayatollah Mosahari, Ayatollah Beheshti, Premier Bahonar, President Raja'i and many of the very best children of Islam order us to be concerned about the election of the A.E.

Imam has called this election the strengthening of the leadership. And our people by coming in millions to vote for 82 men in whom they have confidence will once again show how much they are determined to strengthen their leadership.

Our enemies here and there, have spread the rumor that this election shows that Imam is not in good health. As Ayatollah Madani Kani said prior to the Friday prayer sermons, Imam is in a very good health. The reason for all attentive men is the extraordinary precision Imam observes in his daily speeches in audiences he gives to different groups of people he receives. Let us pray for the continuation of his excellent health.

CSO: 4600/130

'IRAN-E AZAD' CRITICIZES USSR'S ALIYEV

NC081134 Paris IRAN-E AZAD in Persian 27 Nov 82 p 4

[Text] The assumption of power of Yuriy Andropov in the Soviet Union coincided with the election of 59-year-old Geydar Aliyev, secretary general of the Azerbaijan Communist Party, to the Politburo. Immediately afterward, Aliyev made a statement about Iran and especially about Azerbaijan, Iran, which is a warning to all Iranian patriots.

Aliyev--who is apparently very confident about the intensification of Soviet infiltration in Iran through the coming to power of communist clergymen like Khamene'i and Kho'iniha, through toadies like Behzad Nabavi, Sayyad-Shirazi and others, and through the importation of servants and spies in the garb of Tudeh Party members, hezbollahis, members of the Kurdish Democratic Party, Mohahedin-e Khalq, Cherkha-ye Feda'i-ye Khalq, Peykar and so on--said in his statement that "5.5 million Azerbaijanis in the Soviet Union want to unite with the Azerbaijanis of Iran and hope that the latter will fulfill this wish as soon as an opportunity arises."

Mr Aliyev should know that while carrying out an extensive struggle against the usurping regime of the Islamic Republic, the Iranian patriots are never unaware of the greater danger of communist infiltration in Iran and of the possibility of a coup by Soviet elements in our country. Therefore, Soviet officials should not count a great deal on the fact that the Iranians' national unity has been harmed because of the Islamic revolution, since as the war with Iraq has shown, alert Iranians always place struggles against foreign invaders and separatists in a loftier position than their struggles against Khomeyni and the Islamic Republic.

If the clique ruling the Soviet Union intends to put this to trial once again, then there is no doubt that millions of Iranians will be prepared to turn every inch of Iranian territory into a graveyard for Russian soldiers and their domestic mentors. If the experience of "the People's Republic of Azerbaijan" and the Pishavari incident have been forgotten by the butchers of the Kremlin and if the sedition and incidents of Afghanistan, too, have not been sufficient lessons for them, then they can once again put this aggression to trial on Iranian territory. The Iranian nation will turn Azerbaijan and the entire Iranian territory into such a hell for the Soviet soldiers and servants that Vietnam and Afghanistan will seem like paradise. Let's see them try it.

CSO: 4600/143

IRAN

FOREIGN MINISTRY ISSUES WARNING TO FRANCE

GF101820 Tehran IRNA in English 1720 GMT 10 Dec 82

[Text] Tehran, 10 Dec (IRNA)--The Foreign Ministry of the Islamic Republic of Iran today strongly warned the French Government for its harassment of Iranian diplomats in that country and threatened retaliatory measures if the French Government did not give a suitable response for its actions.

In a contract with IRNA, a Foreign Ministry spokesman said that French police had badly beaten and tortured two Iranian diplomats in Paris, one of whom was hospitalised for spleen injuries and the other suffered a broken jaw on Wednesday. He said that the diplomats were arrested illegally and that this was a flagrant violation of human and international laws.

The French police... have openly trampled upon the legality of the Vienna convention accords concerning diplomatic immunity in their commission of such heinous deeds, the spokesman said.

While expressing strong protest to the French Government over the incident, he said that, if the French Government would not give an acceptable reason for these inhuman actions by its police and if it is not able to provide security for the life of Iranian diplomats and citizens, the Foreign Ministry of the Islamic Republic of Iran would decide on appropriate measures in this regard and the French Government would be responsible for its consequences.

The diplomats were freed on the same day after hours of beating and torture by the French police.

This is not the first time that the French Government, [words indistinct] itself as a supporter of [word indistinct] and human rights, has stepped on all human and international laws by following the savage actions of imperialism against the Islamic revolution of Iran, he said.

CSO: 4600/143

RAFSANJANI DENIES IRGC HAND IN BA'ALBEK AFFAIRS

Tehran TEHRAN TIMES in English 27 Nov 82 p 1

[Text]

TEHRAN (IRNA) -- Hojjat-oleslam Akbar Hashemi Rafsanjani said that the Islamic Republic of Iran supported the Lebanese Moslem revolutionaries but he again denied Iran's Islamic Revolutionary Guards involvement in the Ba'albek incident earlier this week.

"We will provide them (the Lebanese Moslems) with money, weapons, guidance, and publicity if we are asked," said he, "but this is a lie when they say that Iranian soldiers have surrounded a Lebanese army garrison."

He said that just as the West depicted communism as a scarecrow in order to exert its dominance over the world, in the same manner it portrayed the Islamic Republic of Iran as a bogey in Lebanon to hide the realities there. He said that the Zionism had occupied a Moslem country and it was the Moslems who were fighting the Zionists.

Addressing hundreds of thousands of people at Tehran

University campus yesterday. The temporary Friday prayers leader said that western military analysts were unable to understand the logic behind Iran's success in the battlefronts.

Rafsanjani said that the only reason why the Moslem people of Iran were fighting more stronger now than they did 21 months ago was that they considered the war to be the number one issue in their daily living.

Speaking about yesterday's march by the members of the Basij (Mobilization forces) nationwide he said that according to figures released by the Basij, some 410,000 volunteers had gone to the fronts, through the Basij, during the past 12 months.

Denying allegations by the west that Iran was sending its young boys to the fronts in order to meet its demands in the front, Majlis Speaker Rafsanjani said that the Basij had given orders to all of its headquarters in the country not to accept people below the

age of puberty. However, he added that the youth were so eager to go to the fronts that they would use their families prestige thus winning the favor of the official who would allow them to go. "My own 11 and 12 year old kids are imploring me to let them go to the fronts because some so-and-so from their schools has gone to the front."

Hojjatoleslam Rafsanjani further said that 25 million people who were trained in the Basij were a sign that the Islamic Republic was stable and strong. He said that a country who feared its people would never train so many people in the use of weapons and explosives.

He said that the Basij had more than 9,050 organized groups around the country and 6,000 resistance quarters.

Before Rafsanjani's speech, Ayatollah Mahdavi Kani, a member of the Council of Guardians addressed the people on the upcoming Experts Assembly elections and the Basij forces.

ARMENIAN COMMUNITY IN IRAN PROTEST AGAINST ZIONISTS

Tehran TEHRAN TIMES in English 27 Nov 82 p 2

[Text]

TEHRAN (IRNA) - Over 10,000 Armenian students in Iran through a mass rally protested against the Zionist regime and declared that the regime's refusal to extend the residence permit of Armenian Archbishop Karekin Kazanjian was contrary to all recognized religious and international laws.

Earlier reports said Tehran's Armenians held a gathering here at the Armenian church on Wednesday to protest against the oppressive policies of the Zionist regime concerning its refusal to extend the residence visa of an Armenian Archbishop Karekin Kazanjian, Archbishop of Bait-ul-Moqaddas (Jerusalem).

Condemning this measure of the Zionist regime in their resolution, the participants said that it was not only an obvious breach of the rights of Armenians residing in Bait-ul Moqaddas but also contrary to all human regulations and a hostile act against the Christians and the world's revolutionary

and combatant clergy.

They also denounced all the conspiracies of world oppression including the Superpowers of East and West against the campaigns of the oppressed nations. The Armenians called on the government of the Islamic Republic to condemn this act of the Zionist regime in the international conventions and convey their protest to the world.

The head of Iranian Armenians, Archbishop Ardak Manokiyani said in this gathering that as special attention is given to the divine revelations in the Islamic Republic, it is necessary that the Zionist regime take lesson from this measure of the Islamic Republic and respect the freedom of religions.

The gathering was held at the Sipan Armenian Cultural Center here Tuesday to voice protest against tyrannical policies of the Zionist regime which were manifest in the deportation of the archbishop of Bait-ul Moqaddas.

CENTRAL BANK GOVERNOR VIEWS INFLATION, FOREIGN EXCHANGE POLICY

Tehran IRAN PRESS DIGEST in English 9 Nov 82 pp 5-9

[Text] Inflation rate reached 30 percent during 1356 but the same rate has dropped to 15.6 in 1361.

The government is already planning a distribution system.

National foreign exchange reserves has reached the optimum level. [as published]

In a private interview Dr. Mohsen Nour Bakhsh Governor General of Central Bank of Iran has given his views on the above subjects excerpts of which appears below: [as published]

Speaking on how to obtain the inflation rate in a society Dr. Nour Baksh [as published] said: To obtain the inflation rate, the average price increases of a group of essential goods effective in family budgets are generally considered, and we have taken into account the wholesale prices of some 620 items each of which receive specific factors based upon the importance holding in the family budget. For instance, housing may be classified in the second degree of importance in the evaluation of inflation rate while food is classified as first degree. We have also considered some 317 items of retail prices used by a family on the average. Meantime sampling has been made from 12 large towns and 62 small towns. The reason for the procedure is that trying to take the index of a single item will not give us realistic inflation rate. For instance the price of cigarette which has been increased from 80 rials to 400 rials does not reflect a true rate. The inflation rate should actually represent the change in prices of all goods based upon the importance degree in the family budget. Assuming that there is a hundred percent increase in price of salt, it will not affect much on the inflation rate being in the hundredth degree as an increase in the price of bread. As an example it is suddenly claimed that the price of refrigerators are increased. [as published] This does not mean that the inflation rate has gone up, but it will be dangerous only when the price of a group of goods start going up at a fast rate, that's when we should start worrying. [as published]

The important point in economic problems for economists is to control the growth rate of prices in the first place in a manner to stop the increase

of prices. Therefore should you fail to control the price increases rates you will definitely be unable to reduce them. Our inflation rate was 23 percent during the last year whilst it had reached 30 percent in 56, or the year just preceding the revolution. To see the inflation rate dropping to 15.6 percent during 1361 is a successful achievement so far as we are concerned, because of our policy the prices of 317 items of goods have only increased 15 percent in average from the beginning till the end of 1361.

Comparing the inflation rate of our country with other countries, the Governor General of Central Bank said that the reason I am comparing our inflation rate with other countries is not to claim that the inflation rate is high in other countries and thus fool ourselves. This is just to make the question clear and see the inflation rate in countries living under comparable economic conditions. Mexico is depending economically upon oil, it is a country exporting about two million barrels of oil per day. Mexico has succeeded in attracting large investments because of its open door policy and this should be an incentive to boost the production and lower the prices, we notice however that the inflation rate is over 90 percent in that country. We have therefore succeeded in controlling the inflation rate at one fourth of Mexico considering the particular difficulties imposed on us from abroad.

Trying to find the routes of economic problems and difficulties Dr. Nour Baksh said: As we all know, one of the most important factors and actually the basic axis of our economy is formed by oil and our economy is dependent upon oil and its incomes. It has been always the foreign exchange earned from oil which represented a decisive factor of our other economic activities. Any increase in oil lever will directly affect our other economic activities. The oil income has continued to exceed 22 billion dollars from 1354 to 1358 (1975-1979) or a year after revolution before the administration was run by Imam followers (our foreign exchange income in 1354 was 22 billion, 1355 24b., 1356 26 b., 1357 23 b., and 1358 23 b. dollars), while the foreign exchange earned from oil sales suddenly dropped to half or 13b. dollars during 1359 and 1360 particularly since the formation of Rajal administration. Our foreign exchange reserves also dropped during the said year and we had no free sources to cover our requirements. The government had under such circumstances, to stop imports of goods to protect the country's independence and try to secure arms and ammunitions in the first place. We have thus exercised a very strict control over imports since September 1981 or a year after the war in a way that the opening of all letters of credit were stopped for a short time. The restrictions were of course continued in 1359 and reached its peak in 1360, and the country's foreign exchange reserves could fall if such a policy was not adopted. In 1360 the highest priority was given to imports of arms and ammunitions as there was no question of food for the people if the arms and ammunitions were not supplied to counter the enemy. In the second place essential supplies including wheat, rice, medicine and generally strategic goods were given second priority. The third phase was raw materials for industry followed by consumer goods. This was the reason that for instance the price of cigarettes was increased as we could not import cigarettes under such conditions because it was not logical to buy a pack of cigarettes for a dollar while we could use that

same dollar for a bullet as an example. The imports of goods were running normal in 1358, however since 1359 and particularly during 1360 and 1361 the imports were markedly dropped in a way that order registrations of all goods were reduced. Examples include rice and grain imports which dropped by 61 percent in 1360 compared with 1359, foods about 48 percent, minerals 45%, chemicals 35%, plastic materials 40%, metals & steel 40%, and in general average the order registrations by private sector was reduced by 32% in 1360 compared to 1359. Exercising such policies, we have been able to stop the downward trend of our foreign exchange reserves, and at present it is not only stopped but it has recovered an upward trend and we have succeeded in regaining the loss reserves and reach an optimum level. In a way that we are currently in a position to easily estimate and secure the war expenses until the end of the war and such war expenses include all arms, raw materials and basic goods. Along with such significant step we have been able also to exercise some control over the prices when we knew that imports restrictions would definitely cause increases of prices and disruptions.

We have currently identified the problems and difficulties and we know that number of false jobs are developed as a result of specific shortages of goods in the market and such false jobs are actually aggravating the inflation rate by itself. In other words, when the difference between the official price of cigarettes and its market price can motivate the unemployed people to buy for instance the cigarettes at 80 rials and sell it for 420 rials they can have an income of 900 rials by selling just three packs daily. A distribution system planning is underway by the government, but this is not a problem that can be solved overnight. It requires some route and fact finding to find a solution and eliminate the motive. The matter is included in the government's important plans and hope that it will be announced by the Prime Minister as soon as its framework is established.

"Should we fail to invest effectively on every dollar we earn at present, the future generation will curse us after twenty years, and we would have lost our wealth if effective investments are not made. War expenditures are not permanent and we shall definitely spend such expenditures on investments when we reach a stage that our political and military stability is established to provide for the security of our next generation. Therefore the people's basic needs will be provided by the government in a favourable way to ensure the consumers welfare. [as published] This requires however some time but of course not a long time. The control and passing through the foreign exchange crisis which threatened us during the last year was not a trifle danger as all foreign countries were waiting to hear of our bankruptcy bell ringing predicted by the damned Nobari and Bani-Sadr. They were declaring to the foreign press frequently that we have sold the peacock throne and other jewels as they could not believe that we could continue the war and our people can continue to live under available means, war expenses, economic dependencies and the home requirements. This was due to the fact that the people accepted and followed the existing restrictions. Thanks God we are running now under normal conditions the first phase of which is felt in the banking system after passing through

the crisis and the second phase will be felt by the people in their normal life.

Speaking about the inflation factors and its mental position in a society Dr. Nour Bakhsh said that inflation depends upon different states one of which is the mental state of society. The consumption trend is generally intensified if such mental state goes out of stability and the situation will return to normal if a society is given peace of mind. We shall have better means of imports during the second half of 1361 as we are at an ease of mind so far as our foreign exchange reserves are concerned, and as I have already announced our foreign exchange reserves has reached a favourable level and parallel to this we must return such mental status to our society (Kayhan, Oct. 23, 1982). [as published]

Facts and Figures

Plan and Budget Organization on Post-Revolutionary Figures

A recent quarterly economic survey published by the Plan and Budget Organization reports that during the first six months of the Iranian year 1356 (March 1977-March 1978) national income in current prices was 50,015 billion rials and that in the year 1357 (March 1978-March 1979) it was 40,549 billion rials. The following year it hit 50,651 billion rials. National income in fixed prices during the said years were 30,640 and 30,056 and 30,164 billion rials respectively for each year. The survey also recorded the farmlands under wheat cultivation in the year 1358 (March 1979-March 1980), 1359 (March 1980-March 1981), and 1360 (March 1981-March 1982) to have been 5,477,600 hectares, 6,007,988 hectares, and 6,057,438 hectares respectively. During the said years the annual production of wheat was 5,946,000 and 6,001,154 and 6,518,259 tons respectively. Barley production during the said years was recorded at 1,239,000 & 1,268,673 and 1,350,642 tons respectively.

In the year 1358 (March 1979-March 1980) the Persian Gulf Fishery Company of Iran caught as much as 5,827 tons of fish. During the following year, the company's catch reached 7,119 tons. From March 21, 1980 until Sept. 22 of the same year, the state Meat Organization imported as much as 102,052 tons of halal meat. During the six month period between March 21, 1981, and Sept. 22 of the same year, the total meat import of the organization was 86,077 tons less than its imports during the corresponding period of the preceding year. From March 1980 until March 1981 Iran produced as much as 32,000 tons of processed tea. In the following year, the yield increased to 36,000 tons.

In 1358 (March 1979-March 1980) Iran produced an average of 3,452,000 barrels of crude oil per day, and in the following year the average daily production of crude was recorded at 1,473,000 bpd. In the year 1358 (March 1979-March 1980), the daily export of oil average 2,642,000bpd. The following year it dropped to 761,000 bpd. In the year 1357 (March 1978-March 1979), the combined daily production of the country's refinery plants was 684,000 bpd. The following year it soared to 778,000 bpd. and

in the year 1359 (March 1980-March 1981) it dropped to 693,000 bpd. During the period of March 1978-March 1979, Iran imported a total of 3,010,000 barrels of kerosene and gas oil. In the two years following, the total import of the two items was recorded at 3,560,000 barrels and 3,136,000 barrels respectively.

The index of the output of the country's larger industrial workshops in the year 1357 was recorded at 129.1. In the following two years, the index reached 129.7 and 121.7. From March 21, 1981 until August 22, 1982 the combined production of the country's cement factories was 3,398,440 tons. From March 1979 until March 1980 the country's sugar factories produced a total of 351,531 tons of rock sugar and sugar cubes, and produced as much as 334,939 tons of granulated sugar. During the following 12 months, they produced 326,357 tons of rock sugar and sugar cubes, and 461,253 tons of granulated sugar. In the year 1358 (March 1979-March 1980), Iran imported 862,259 tons of granulated sugar. In the following year this import dropped to 589,028 tons.

During the period of Fe. 20-March 20, 1978, the cash flow in the country's banks was recorded at 2,097 billion rials. During the corresponding period of the following year it reached 2,578 billion rials. In the corresponding period of the year 1358, it reached 3,550 billion rials and during the same period in the year 1359 it reached 4,341 billion rials. The aggregate sum of currency during the said years reached 790.5 billion rials by March 20, 1978 and 11,236 billion rials by March 20, 1979, and 1,665 billion rials in 1980, and 2,206 billion rials by March 20, 1981. Iran total imports from March 21, 1980 until Sept. 22 of the same year was 6,806,000 tons of goods costing 501,136 million rials. The country's aggregate exports during the same period was 254,000 tons of goods costing 30,229 million rials. From March 21, 1981 until Sept. 22 of the same year, Iran imported 7,917,000 tons of goods costing 668,770 million rials. During the same period, Iran exported 119,000 tons of goods valued at 17,140 million rials.

CSO: 4600/112

REJECTION OF FOREIGN-TRADE BILL EXPLAINED BY AYATOLLAH KANI

Tehran TEHRAN TIMES in English 27 Nov (p 1), 28 Nov (p 2) 82

[Text]

TEHRAN (IRNA) — In a statement released yesterday, Ayatollah Kani, a member of the Council of Guardians of the Constitution of the Islamic Republic of Iran outlined the reasons for the rejection of the bill for the nationalization of foreign trade ratified in the Majlis.

In the statement, Ayatollah Mahdavi Kani said the Council of Guardians rejected the bill for it did not deem it correct that all the country's exports and imports should be monopolized by the government.

He said the government's handling of some 200,000 kinds of imports was not feasible nor possible.

Ayatollah Mahdavi Kani, a prominent member of the Council of Guardians, is a scholar with a long history of involvement in the Islamic struggles and also in Islamic law.

He declared that two points considered by the Council, in rejecting the foreign trade nationalization bill were:

Article 4 of the constitution of the Islamic Republic of Iran which reads:

"All civil, penal, financial, economic, administrative, cultural, military, political, etc. laws and regulations regarding

natural resources should be based upon Islamic precepts."

This article absolutely and universally governs all other articles of the constitution as well as other rules and regulations to be decided upon at the discretion of the jurists of the Council of Guardians.

And Article 72 of the constitution which reads that "the Majlis cannot ratify laws which contradict Islamic laws or the laws of the constitution."

Since the government and the Majlis, added Ayatollah Kani, used Article 44 which said the public sector was comprised of foreign trade as well as many other things thus the bill was ratified.

However, continued Mahdavi Kani, according to the bill, everyone is required to sell whatever he wants to export, to the government so that the latter could determine the price for it.

Ayatollah Mahdavi Kani said this very point is indeed contradictory to Islam because it aims at limiting the people's ownership which has been acquired through legal ways.

He said the government could never say to someone for example that: "This raisin which you have produced yourself, should be sold to the government and furthermore is

solely for export" for it was against the laws of Islam. We said the Council of Guardians believed that the government had to have supervision over all areas and if necessary make sure these areas conform to the constitution while considering the benefits of the people. He said if the government was to take control of foreign trade that meant no private ownership would be respected.

Quoting Article 44 of the constitution which reads "Ownership in all public, private and cooperative sectors, in so far as they conform to other sections of this article, does not contravene Islamic laws, and helps to advance economic growth and development and would not be injurious to the society, will enjoy the full protection of the law in the Islamic Republic of Iran. Details and order of the usage of each is to be determined by law."

Ayatollah Kani said the bill which was rejected lacked the afore-mentioned four principles.

The government is the representative and protector of the nation's interests rather than the custodian of the nation. Hence, and the concept of state ownership has to take into consideration the people's rights and interests.

Therefore, the Ayatollah added, the government cannot

by definition be plenipotentiary in terms of ownership. He said that this applied to all areas, for the government had to consider first the people's interests prior to anything else otherwise a great disruption would occur in the affairs of the society, he added.

He stressed once again that the Islamic government was not allowed to monopolize foreign trade without firstly realizing those four conditions.

Ayatollah Mahdavi Kani said the Majlis had not considered the rest of the constitutional laws in the said bill.

He said the bill aimed at making the government a large center of trade, which itself contravened the constitution for it said that no entity had the right to exercise to the control of the nation's wealth.

The bill, added Ayatollah Mahdavi Kani, is presently being studied in one of the Majlis committees, and that in his opinion, a part of the foreign trade was certainly to be government controlled.

In another part of his statement, Ayatollah Kani said some counterrevolutionary groups abroad, some of whom were Leftists, had launched a propaganda campaign against the Council of Guardians because they had failed to achieve their satanic ends.

He said those elements aimed at undermining the country's economy, industry

and commerce and planned to create a Communist system in Iran, ignoring the fact that Iran was an Islamic country with an Islamic nation.

He said the Council of Guardians aimed at enacting the laws of Islam and to insure that the Majlis laws were fully Islamic.

The Council of Guardians, added Ayatollah Kani, will never succumb to political atmospheres created by the imperialists news agencies and their internal and external lackeys.

Replying to some people's criticism concerning how a minority of 12 people could oppose a majority of 200 Majlis deputies and rule out their authority and legitimacy, Ayatollah Kani said the raison d'être of the Council of Guardians was precisely checking the laws of the Majlis and announce if these provisions included any points which contravened the laws of Islam or the laws of the constitution.

In conclusion, he said the Council of Guardians received the name "Guardian" since it comprised a group of Islamic scholars who aimed at guarding against all un-Islamic entries in the legislature.

He also called on all Iranians to either write to the Council or call the council office in case they had questions on the various bills the council was studying.

INDUSTRIAL, FINANCIAL DEVELOPMENTS REVIEWED

Tehran IRAN PRESS DIGEST in English 2 Nov 82 pp 2-4

[Text] I. Trade

Exports Increased

Some 156,011 tons of goods valued over six billion rials were cleared from Bushehr Customs Office, during the Iranian month of Mehr (Sept. 23-Oct. 22). Bushehr customs office announced.

Comparing the amount of goods cleared in the said period to its preceding month, the report said that there was an increase of over 70,000 tons. According to the report in the said period, 3,250 tons of non-oil goods valued at 145 million rials, were exported. In this month, 1,208 passengers entered and 33 left the country through Bushehr port. Meanwhile, according to Bandar Anzali customs office, Caspian Coast, in the month of Mehr, more than 75,000 tons of goods were unloaded in the port and during the same time 381 tons of goods were exported.

II. Industry

Iran's Industries Increase Production

The Yazdbaf textile factories which produced 34 million meters of fabrics during the year 1356 (March 77-March 78) increased their output to 35 million meters in the year 1360 (March 81-March 82) despite the reduction in work hours (from 48 hours a week to 44 hours). The Managing Director of the factories, Ghafari, has said that the factories would be dependent on foreign producers for only 20 percent of their needed machinery parts once cotton production in the country has increased to obviate the need for importing synthetic fibre from abroad. He also said that new machinery is being installed for manufacturing parts which would reduce the factories' independence [as published] on foreign producers to only 5 percent. He said that because of the shortage of threads, the factories' principal needs were threading machinery, so that the factories could increase their production and thereby eliminate the need for importing textile from such countries as China, Pakistan and Turkey.

In another interview, the head of the Public Relations Bureau of Irporcelain said that plans were underway for producing special moulding powder for producing chinaware in order to eliminate the need for importing the same powder from abroad and thereby saving one million Deutsche marks on the same item every year. He said from March 21, 1981 until Sept. 22, 1982, the irporcelain factory had produced at least 1,209,000 pieces of chinaware, an increase of 44 percent as compared with the corresponding period of the previous year. He said that by the end of the current Iranian year, (March 20, 1983) the factory will have produced and marketed at least 3,043,000 pieces of chinaware, comprising mainly tea-pots, sugar bowls, vases, jugs and pitchers, salt-shakers, serving plates, and electric tea-pots. [as published]

In another interview in Isfahan, the Managing Director of the Polyacryl Company of Isfahan said that from March 21 until September 22 this year, the factory's production indicated an increase of about 25 per cent compared with the corresponding period of the past year. The Polyacryl Company of Isfahan, said to be the largest in the Middle East, produces polyacryl fibre for 156 textile factories in Iran. The company produced 8,717 tons of polyester fibre and 6,571 tons of acrylic fibre during the same period. He said that a mammoth plan for producing DMT (a base element for producing polyester fibre) in Iran had been reviewed by the National Industries Organization of Iran, and that once the projected petrochemical complex in Imam Khomeini port is effected, DMT would be produced internally.

Founded in 1974 as a joint venture with Du Pont of the United States, it initially had in its employ a total of 270 foreign workers. The company is now running under Iranian management and has a work force of about 2,500 Iranian nationals without one foreign worker. The factory stopped production during the Islamic Revolution but resumed operation later in 1979. The factory's products are used principally as raw material for manufacturing different kinds of fabrics including blankets, carpets and upholstery.

Cement Factory's Production Up

The Director of factory number one of Loshan Cement factories, Taymouri, said here that from March 21 until September 22 this year, the factory had produced 51,258 tons of clinker and that during the same period 67,248 tons of cement had been sold. He said at present the factory's reserve of clinker was 1,722 tons and that its reserves of cement in its silos was 1,300 tons. The factory produces 400 tons of cement daily and is expected to increase its production once it has received its needed parts and machinery.

190 Industries Established in Bushehr

The Director General of the Industries and Mines Department of Bushehr, Mohammad Ali Dasbaz, said that during March 1981-March 1982, about 190 new plants, workshops factories had been established in the province. The factories, he said, were operative in plaster production, building of noodles, macaroni, and cardboard. He said from March 21, 1982 until

September 22, the government issued licenses for the setting-up of 32 additional workshops.

The new workshops produce such commodities as sand, fine sand, plaster, fishing nets, and also plastic products. The official said that his department had received proposals for establishing factories and plants for building machinery, agriculture machinery, transistors, water-softeners and other items. He also said that implicit agreements had been reached for expanding local handicrafts in the area, which included mainly rough carpet weaving, straw-plaiting and other which would involve an expenditure of more than 20 billion rials for the purpose.

Shoe Factory's Production Up

An official of the Beeba Shoe Factory said here that the company was expected to produce 1,371,648 pairs of slippers and 190,203 pairs of boots by the end of the current Iranian year, (March 20, 1983). The company's output this year is estimated to double its output in the year 1357 (March 21, 1978-March 20, 79). He said the company was likely to export its surplus production to the East European countries in the future. During the first six months of the current Iranian year, the company produced and marketed about 630,000 pairs of boots and slippers throughout the country, which indicates an increase of 21 per cent in the production of slippers and of 17 percent in the production of boots as compared to the corresponding period of last year.

The official expressed confidence that once a technical capability has been developed at home for manufacturing required machinery, the company's dependence on foreign manufactures would be minimized. He also noted that the Iranian Petrochemical Complex was capable of providing for the company's raw materials, and that as soon as it does so, the company's need for importing raw material would be likewise minimized.

Ceramic Factory Saves Foreign Exchange

A member of the Board of Directors of Hafez Ceramic Tile manufacturing Company, Farrashiani, said that by producing various types of ceramic pigments in Iran, a total of 120 million rials in foreign exchange had been saved during the first half of the current Iranian year (March-September 82). He said during the period under examination, the factory had produced a little more than 22 pieces of ceramic tiles, which represented its full capacity. He noted that a project for expanding the factory was underway which would increase the factory's annual production to 300 million pieces of ceramic tiles sufficient enough to meet the needs of the southern areas of the country.

He further noted that a principal concern of the factory's management was to discover and substitute novel production systems capable of minimizing the factory's dependence of foreign producers for raw materials, or foreign manufacturers. He said by implementing traditional techniques and reformulating the composition of certain components, the Iranian experts had

reduced wastage rate from a former 60 to 40 per cent to a mere five to eight percent.

III. Finance

Iran's Foreign Reserves Up

In an interview with Iranian television Mohsen Nurbakhsh, the governor of the Iranian Central Bank, said that the foreign reserves of the country are steadily rising since the present output of some two million barrels of oil a day exceeds Iran's needs for current expenditures and imports. He also said that the reserves are currently more than what they were two years ago in the beginning of the war which, he said, were some 13 billion dollars.

CSO: 4600/112

BRIEFS

U.S., SOMALIA EXERCISES--The commander in chief of the U.S. forces in the Pacific and Indian oceans attended the joint military exercises organized by Somalia and the United States today. The commander, who arrived in Somalia from Kenya the day before yesterday, has met with Mohamed Siad Barre, the head of the regime in Somalia. The U.S. intervention forces, which are known as the rapid deployment force, landed in Somalia yesterday to take part in the joint exercises. Meanwhile, U.S. forces held exercises on the Barbara [as heard] military base in the Indian Ocean last week--a base which has been placed at the disposal of the United States. [Text] [GF081644 Tehran International Service in Turkish 1830 GMT 6 Dec 82]

JEWISH CLERGY SUPPORT ELECTIONS--Tehran, 9 Dec (IRNA)--In a statement released Wednesday, the leader of the Jewish community in Iran, Rabbi Avri Yel Davidi, and the Jewish representative in the Majlis, Khosrow Naqi, called on all the Iranian Jewish population to take part in the upcoming elections for the Assembly of Experts this Friday. Davidi's statement stressed that the Jews will once again prove their unity of purpose with the Iranian Muslims on Friday when they go to the polls. [Text] [GF091616 Tehran IRNA in English 1540 GMT 9 Dec 82]

KERMAN EARTHQUAKE--Kerman, 9 Dec (IRNA)--An earthquake tremor measuring 0.5 on the Richter Scale shook Kerman, 750 kms southwest of Tehran, at 23.05 hours last night. The Tehran Geophysics Centre monitored the tremor. [Text] [GF091620 Tehran IRNA in English 1600 GMT 9 Dec 82]

STATEMENT TO VOTE COUNTERS--Dear listeners, please pay attention to the following statement issued by the Council of Experts election supervisory commission. The Tehran governorate released statement No (?) issued by the Council of Experts election supervisory commission and the central association supervising the Islamic Majlis mid-term elections, as follows: In his exalted name. Supervisory commissions of voting stations and officials in charge of the 14 districts of Tehran please take notice. While thanking you, the honest and trusted supervisors of voting stations, we draw your attention to the following points: 1. When counting votes please take care not to place votes for the Council of Experts in the box for the Islamic Majlis votes by mistake. When counting the votes priority

should be given to votes for the Council of Experts elections. 2. While counting votes and writing the minutes of meetings please carefully implement and keep in mind the points mentioned by officials of Iranian census center. [signed] Governor of Tehran 'Ali Asghar (Khaji) [Excerpts] [LD101956 Tehran Domestic Service in Persian 1848 GMT 10 Dec 82]

BALLOT SHORTAGE--According to the report of the Central News Unit, the Tehran Governorate announced: In view of the unprecedented participation of the hezbollahi ummah, we have been faced with a shortage of ballots for the Council of Experts. Therefore, the ballots which have been printed in 10 lines [as heard] may be used. The Executive Council in charge of the elections for the Council of Experts, the central supervisory council of the elections to the Islamic consultative assembly in Tehran request those polling stations which are short of ballots for the elections to the Council of Experts to get in touch with the relevant centers and receive the new ballots and guide the electors. [Text] [LD101628 Tehran Domestic Service in Persian 1515 GMT 10 Dec 82]

EXTENDING VOTING HOURS--In the name of God, the compassionate, the merciful. It is hereby brought to the attention of all the compatriots that because of the unprecedented welcome by the martyr-rearing and ever present Islamic ummah of Iran, in obedience with the decree of the great imam on taking part at the Council of Expert elections and the by-elections of the Islamic consultative assembly, it is feared that all the participants may not be able to cast their votes during the legal period. Therefore, the voting period is extended until 2000 tonight, all over the country. [Excerpts] [LD101234 Tehran Domestic Service in Persian 1030 GMT 10 Dec 82] In his exalted name. In view of the enthusiastic rush of the Muslim ummah of Iran to some polling stations throughout the country to implement the degree of the great imam, not everybody has yet managed to cast his vote. Therefore, it is agreed that such polling stations should remain open until 2200 at the latest to obtain people's votes. [signed] 'Ali Akbar Nateq-nuri, minister of the interior. [Text] [LD101636 Tehran Domestic Service in Persian 1600 GMT 10 Dec 82]

SHIRAZ INSTRUCTIONS ON ELECTIONS--In His Exalted name. All the mobile units for polling are hereby informed that wherever they may be, they should contact the governor-general's office after the polling is completed so that they may be given the necessary instructions about where they should go next. [Text] [GF100946 Shiraz Domestic Service in Persian 0926 GMT 10 Dec 82]

ASSEMBLY OF EXPERTS--In the early hours of elections and voting for the Assembly of Experts and despite the cold winter, the residence of Imam Khomeyni, the leader of the Islamic revolution, is beyond description. About 0805 this morning, Imam Khomeyni, accompanied by his dear son, Hojjat ol-Eslam Hajj Ahmad Khomeyni, went to the polling station outside his residence in Jamaran very decisively, with a smile of satisfaction on his face for the Islamic Republic. Having gone through the necessary legal formalities, he then cast his secret vote for the Assembly of Experts, for the election of a leader, council of leadership and the candidates in the Majlis mid-term elections. [Excerpt] [LD100540 Tehran Domestic Service in Persian 0519 GMT 10 Dec 82]

ZAHEDAN ELECTION RESULTS--The following are the results of ballots counted so far in Zahedan Province. Zahedan: Total number of ballots counted: 59,265. Hojjat ol-Eslam 'Ebadi received 49,782 votes; (Molavi-Madani) received 25,148 votes. Zabol: Total number of ballots counted: 63,042. Hojjat ol-Eslam 'Ebadi received 57,106 votes; (Molavi-Madani) received 13,553 votes. Chah Bahar: Total number of ballots counted: 36,774. (Molavi-Madani) received 31,759 votes; 'Ebadi received 15,334 votes. Saravan: Total number of ballots counted: 28,617. 'Ebadi received 15,486 votes; (Molavi-Madani) received 24,485 votes. (?Khash): Total number of ballots counted: 14,538. 'Ebadi received 12,087 votes; (Molavi-Madani) received 13,052 votes. [GF121120 Zahedan Domestic Service in Persian 1330 GMT 11 Dec 82]

THAI, DANISH ENVOYS--Phi Ibulyn Maolanon, the new ambassador of Thailand to Iran today in a meeting with President Seyyed 'Ali Khamene'i, submitted his credentials here. In another meeting, President Khamene'i conferred with Joergen Adamsen, the Danish ambassador to Iran, before bidding him farewell, upon the completion of his mission here as his country's ambassador. [Excerpts] [LD030246 Tehran IRNA in English 0945 GMT 2 Dec 82 LD]

BANDAR 'ABBAS TREMOR--Bandar 'Abbas, 12 Dec (IRNA)--A tremor with an intensity of 4.5 degrees on the Richter Scale shook Bandar 'Abbas, Hormozgan [IRNA spelling] Province, south Iran at 6.28 a.m. this morning. No details of [word indistinct] damage is reported yet. [Text] [LD121022 Tehran IRNA in English 0922 GMT 12 Dec 82]

FARS ELECTION RESULTS--Total number of ballots: 1,182,972. Hojjat ol-Eslam Ha'eri, 934,101; Hojjat ol-Eslam Dastgheyb, 768,346; Hojjat ol-Eslam Imani, 674,878; Hojjat ol-Eslam Seyyed 'Ali Asghar Datgheyb, 667,916; Hojjat ol-Eslam Fazel-Harandi, 643,507; Hojjat ol-Eslam Makarem-Shirazi, 342,828; Hojjat ol-Eslam Seyyed Mohhamad Hashem Dastgheyb, 307,727; Hojjat ol-Eslam Seyyed Munireddion Hoseyni al-Hashemi, 265,884; Hojjat ol-Eslam Borujerdi, 250,048; Hojjat ol-Eslam Seyyed Mohammed Mehdi Dastgheyb, 172,985; Hojjat ol-Eslam Hoseyni-Arsanjani, 160,046; Hojjat ol-Eslam Seyyed 'Abdollah Zebarjad, 46,312. Majlis mid-term elections: The ballots for messers Haj Seyf and (?Mo'in) have been counted. Mr Mo'in-Najafabadi received 185,540 votes. Mr Seyf received 122,425 votes. Total votes in Shiraz was 340,671 votes. [All figure; as heard] [GF121700 Shiraz Domestic Service in Persian 1500 GMT 12 Dec 82]

WEST AZARBAYJAN, KORDESTAN ELECTIONS--Voting in the election for the Council of Experts and the Islamic Majlis council finished all over the country last night at 2200 except in the two provinces of West Azarbayjan and Kordestan. Counting of the votes has started. According to an IRNA report, the Ministry of State announced that with all the anxiousness of the brothers and sisters who live in Kordestan and West Azarbayjan and the extraordinary welcome of the historical order of the imam of the nation on participating in the election, unfortunately because of some blocked roads in mountain areas, offiicals were unable to send boxed and special ballots to the voting areas. Today voting for the election in the two provinces will start at 0700 and continue for 10 hours. The Ministry of State emphasized that this election will not be postponed again in these named provinces. We remind you that this extension of election times is only valid for the two provinces of Kordestan and West Azarbayjan for the Council of Experts. [Text] [GF110526 Tehran Domestic Service in Persian 0430 GMT 11 Dec 82]

GORGAN APPOINTMENT--Hojjat ol-Eslam Seyyed Kazem Nur-Mofidi has been appointed by the imam as his representative in Gorgan region of Mazandaran Province, north of Iran. Hojjat ol-Eslam Nur-Mofidi is also Friday Prayers [Imam] of Gorgan. [Text] [GF021810 Tehran IRNA in English 1720 GMT 2 Dec 82 GF]

STEEL PRODUCTION INCREASE--The production of steel bars in Esfahan Steel Mill during the month ending 21 November has increased by 17.4 percent, reaching a new record since start of production of steel bars. The division converts raw iron to steel by burning off the impurities in a converter and then making steel from it. This steel is either casted as ingots or produced as bars with square or oblong cross-sections. During this period, a total of 59,601 tons of steel was produced. This is an increase of 8,859 tons over the target figure for the month. [080926 Esfahan Domestic Service in Persian 1530 GMT 7 Dec 82 GF]

CSO: 4600/143

ANALYSIS OF REACTIONS TO AFRAM'S APPOINTMENT TO CABINET POST

Paris AL-MUSTAQBAL in Arabic No 296, 23 Oct 82 p 41

[Article: "Appointment of Afram to Cabinet Arouses Ambitions of Businessmen"]

[Text] The reactions of economic organizations to the first cabinet under Lebanese President Amin al-Jumayyil have ranged from support to reservation. These positions can be summed up as follows:

Industrial support for the government, especially for George Afram, minister of industry and oil and post and telecommunications, by virtue of his being an industrialist and a member of the Industrialists Association's Board of Directors since 1973.

Implicit rejection and open reservation on the part of the merchants, who represent the representation of the industrialists and the other professions (engineers, lawyers and doctors) but not the commerce sector and, consequently, not the banking sector. This reservation is not aimed against the minister of industry and oil personally but emanates from the chronic sensitivity between the merchants and the industrialists over economic policy and from each group's eagerness to establish this policy according to its wishes and interests. This sensitivity focused in the past and is still focused on the industrialists' ceaseless demand for the adoption of customs protection and the system of advance permits and the merchants' rejection of this demand on the basis of their belief in the importance of competition and in the growth of supply and demand and their conviction that an industry capable of surviving does not need protection. This sensitivity in the past assumed various forms, was compared to several examples and was coupled with the names of numerous ministers who took biased positions in the conflict. But the Beirut Chamber [of Commerce] has taken a neutral position toward the issue and has not involved itself in its details because it considers itself an organization capable of including both the industrialists and the merchants at the same time. This is why the chamber has expressed its welcome, tying its position to results.

But it is noticed that the appointment of George Afram to the cabinet has aroused what is more significant than support--reservation and rejection. From reading between the lines, it is noticed that he has whetted the appetites and ambitions of businessmen for a ministerial portfolio someday soon. Now that a main portfolio has been given to businessman George Afram, every businessman has begun to dream of a portfolio and to prepare himself for it. Each of

them has begun to believe that this is possible and that it would be no surprise if the phone rings at his home one day and the speaker on the other end tells him: Please come to the place.

As long as the period is one of reconstruction and as long as the issue of notables [al-fa'aliyat] has returned to the forefront, even if by way of the professions this time, then everything is possible and there is a chance that the financial portfolio will be entrusted to a banker, the agriculture portfolio to a farmer and the economy portfolio to a merchant. What is new in whetting the appetites and the ambitions is that businessmen see that the road to the cabinet demands positive accomplishments and projects with a social character, not to mention "other initiatives" that are scarce among businessmen, and he who lives shall see.

8494

CSO: 4404/92

'TERRORISTS' SAID SEEKING SPECTACULAR ATTACKS

TA281631 Tel Aviv IDF Radio in Hebrew 1510 GMT 28 Nov 82

[Text] The terrorists are seeking to carry out spectacular operations in the IDF-controlled areas of Lebanon aimed at perpetrating mass killings. The relative success of their actions in the last few months encourages them to accelerate their attempts. This was the assessment of security elements speaking with our military correspondent Hayim Ravva.

[Ravva--live] The activities of the terrorists in Lebanon is currently concentrated in the vicinity of the Beirut-Damascus Highway and the internal areas [Shtahim Pnimiym] controlled by the IDF and less in Al-Biqa' where the Syrian forces restrict their independence of action. Some of the nuclei of the organizations that had a stronghold in southern Lebanon prior to the war still exist, as is attested to by the activities in the last few months. The elements with whom we spoke assess that all the large organizations have some sort of secret infrastructure in the field. They are led by the Fatah, due to its relative size among the organizations forming the PLO. Some of this infrastructure is composed of former militia men of the terrorist organizations in the refugee camps. Although members of these organizations, they never really took part in any attacks. However, the organizations may currently rely on them.

Part of the terrorists active in southern Lebanon have infiltrated from the areas controlled by the Syrians. With the help of phony documents they managed to outwit the IDF check points, such as the one at the end of the Beirut-Damascus Highway at (Sofar). It emerges that the booby-trapped car that exploded in Bhandun in August causing the death of two IDF soldiers and the wounding of three others was introduced from the outside. The IDF currently knows the identity of the perpetrators of this attack and the organization backing them.

Other terrorists operate from inside, some of them former inmates of the prisoner camp at Ansar.

The terrorists are striving to carry out spectacular attacks in the IDF-controlled areas with the chief aim of causing mass killings. Thus, a bus is an easy target. Already before the bus was attacked in 'Alayh there had been fears indicating, among other things, that buses would be targets for

attacks. In this context of spectacular attacks we should also note the kidnapping of eight soldiers currently held prisoner by the terrorists.

The security elements concluded by saying that as long as the IDF remains in Lebanon activities against it will continue. There will be no lull and the aim will always be to carry out spectacular attacks. Already today activities in the areas controlled by the IDF are numerous.

CSO: 4400/115

BASHIR AL-JUMAYYIL 'ASKED ISRAEL TO SEIZE BEIRUT'

NC021045 Paris AFP in English 1009 GMT 2 Dec 82

[Text] Tel Aviv, 2 Dec (AFP)--Bashir al-Jumayyil, the Lebanese president-elect assassinated in September, asked Israel in 1977 to "seize Beirut," according to an Israeli weekly.

"You will have to come there sooner or later and the sooner the better," Mr Al-Jumayyil then leader of the Lebanese Christian Militia, was quoted as saying by the center-leftist QOTERET RASHIT.

QOTERET RASHIT said Mr Al-Jumayyil made the comments in 1977 to Israeli Chief of Staff General Mordecai Gur, who is now a leading opposition labor leader and firm opponent of the Israeli military offensive in Lebanon.

"The conversation was recalled at length by Bashir al-Jumayyil himself when he met with Israeli Chief of Staff Rafa'el Eytan during the first days of the Israeli offensive," which began last 6 June, the weekly said.

Mr Al-Jumayyil according to the weekly, said the discussion had degenerated into an argument. "You have no alternative to carrying out a large-scale operation in Lebanon," he reportedly said.

"The military problem of Israel is not in the south (of Lebanon) and will not be solved by local actions. You must go to Beirut, which you can reach after a brief war.

"In any case you will have to come in two or three years and then you will suffer much heavier losses," Mr Al-Jumayyil reportedly said.

Gen Gur answered that he was not convinced, even though he understood Mr Al-Jumayyil's "motivations," the weekly said.

"I will never send Israeli soldiers to do your dirty work, the cleaning up of Lebanon. That is your problem," Gen Gur reportedly said.

Gen Gur had confirmed the conversation, the weekly said, and had added: "Above all, Bashir al-Jumayyil wanted us to kick the Syrians out of Lebanon.... I told him that we would only fight in self-defense."

CSO: 4400/115

PRIME MINISTER AL-WAZZAN GIVES TV INTERVIEW

NC291939 Beirut Domestic Service in Arabic 1630 GMT 29 Nov 82

[Text] President Al-Jumayyil and Prime Minister Shafiq al-Wazzan held a meeting today with Foreign Minister Elie Salim; former Ambassador Ghassan Tuwayni, the official responsible for coordinating negotiations among the various sides; Lebanese Army Higher Defense Council Secretary General, Staff Brig Gen Nabil Quraytim and Arab Deterrent Forces Commander Brig Gen Sami al-Khatib, to study the diplomatic efforts exerted by Ambassador Morris Draper to reach common denominators between Beirut and Tel Aviv that would pave the way for the start of Lebanese-Israeli negotiations so as to secure the withdrawal of foreign forces from Lebanon.

At the meeting, the discussion concentrated on the question of negotiations with the sides whose departure from Lebanon is required and on the evaluation of the coming phase in light of the intransigent Israeli stand conveyed by Ambassador Draper from Israel.

Following the meeting during which Ambassador Draper's diplomatic efforts were also discussed, Prime Minister Al-Wazzan held a televised interview in which he answered a number of questions.

He began the interview by answering a question. He said: I want to address a friendly word to all departments of the Lebanese information media and to request them to help and support their government and to help avoid the pitfalls into which it should not fall, particularly at this phase. We are at the beginning of an endeavor for contacts that will be guaranteed by the United States for continuing the talks begun by Ambassador Philip Habib since the Israeli invasion--the talks which began with the exit of the Palestinians and others from Beirut and which should end with the exit of the Israelis and all the other [foreign] forces from all Lebanon.

He added: My word to the information media is that it should not make it possible for people other than us to be negotiators on the pages of the newspapers. Despite our belief in the freedom of speech and in the expression of views and because of the extraordinary and serious situation in the country, it is our right to ask the journalists to be with us and not to permit negotiations on the pages of newspapers. We want the journalists to allow the Lebanese Government to be the negotiator and there should not be many negotiators on the pages of the newspapers in a manner that can only be embarrassing and in the end have a negative effect on our Lebanese stands.

Prime Minister Al-Wazzan added: At the meeting we held today, we touched upon many subjects, including the Israeli cabinet decision. It is not enough to listen to the subjects discussed by Mr Draper; we also want to know the background and the reasons for that decision.

Asked about a statement by Mr Draper in Israel in which he said he will attempt to convince the Lebanese Government to amend the chairmanship of the [Lebanese-Israeli liaison] committee so that the chairmanship would go to Antoine Fattal instead of Staff Brig Gen 'Abbas Hamdan and about the truth of this, Prime Minister Al-Wazzan replied: Ambassador Draper is thankfully endeavoring to establish criteria that can enable us to proceed with the required contacts. However, we have the right to appoint whoever we feel should represent us and whoever we feel should supervise our representation. Thus, I say the committee has been formed and its members have become known. They include military personnel and civilians. Some of them are concerned with the security matters which are the basis of the contacts and some of them are concerned with the legal matters so as to tackle all aspects of the negotiations which might have pitfalls. When we know these facts, it is no longer important to us who chairs the committee. What is important is that we are not concerned with political discussions, what we are discussing is a security matter related to the withdrawals only.

Prime Minister Al-Wazzan said: Israel, when it entered Lebanon, did not enter on political pretexts but on security pretexts and it said, before the entire world and before Lebanon, that its reasons were security reasons and it did not say that its reasons were political; then why is it taking this stand now and what are these contradictory stands? We will not bargain in this regard but want the implementation of the UN Security Council Resolution which obliges Israel to leave unconditionally. This is what we are endeavoring to implement and the United States has been committed to this and this is the basis of Habib's mission, who had brought us a U.S. working paper for implementation. We have accepted it after a discussion and arrived at a number of ideas which began with the exit of all the armed men from Beirut and should end with the exit of all the Israelis and all the nonLebanese armed men. The working paper which Habib had presented is an indivisible unit. We have appealed to the United States and insisted on the need for it to continue its commitment. We see that it is working in this respect. We, however--as the saying goes: our hand is in the fire--we are the ones who are suffering and thus we insist that the United States double its efforts so as to reach the solutions we are seeking and the required withdrawals.

He added: We have started to think of several other options which the president mentioned in his speech on Independence Day. We might also have other options. We are part of a tree; Lebanon has the world, its friends, the UN resolutions and the arms of its sons and their nails as well.

On whether Lebanon is contemplating bringing UN observers to the mountain area, Prime Minister Al-Wazzan said: We will utilize every means to restore normalcy. We will first depend on the awareness of our sons, which thanks to God are available despite the interferences which thwart the good results we are seeking to achieve in the mountain and elsewhere. We have not dropped from our consideration the request for UN observers or for more multinational forces. Today, at the meeting we held with the higher liaison committee which was chaired by President Al-Jumayyil we repeated this request officially to the states participating in this force so far.

PLO RADIO ON ILL-TREATMENT OF PALESTINIANS

JN211018 Baghdad Voice of PLO in Arabic 1630 GMT 20 Nov 82

[Text] The Lebanese army and the army of the Zionist enemy take turns in carrying out crimes against Palestinian civilians in Lebanon. The Zionist forces perpetrated the Sabra and Shatila massacres and killed children, women and old people within sight and hearing of the so-called legitimate army. The army of the Lebanese authorities stood by watching either out of fear and cowardice or out of a clear coordination with the army of the Zionist invaders. The most recent crime committed by the so-called army of the Lebanese authorities has been the barbaric killing 2 days ago of a Palestinian citizen in the Gaza Hospital. A Lebanese soldier assassinated Palestinian citizen Fu'ad al-Husari while he was in the intensive care unit after army elements had opened fire on him in his house. Before and after this crime, the Lebanese army continues to display its bravado against Palestinian citizens through raids, and arrest campaigns. These oppressive measures which are being carried out by the army of the Lebanese authorities are as rancorous and fascist as the measures adopted by the Zionist enemy. Any attempt by the Lebanese authorities to justify these rancorous crimes as necessary for security reasons is merely a cover for these criminal campaigns.

Does the killing of a wounded Palestinian citizen in a hospital have anything to do with security? Does the arrest of unarmed children, women and old people have anything to do with security either? We wonder whether the Lebanese army command is not connected to the operations room of the invading Zionist forces. We say this because there is no justification for killing Palestinians in hospitals or detaining thousands of them in the detention camps of Al-Yarzah and others.

What the Lebanese army is doing is fulfilling the Zionist objectives against Palestinian and Lebanese civilians alike because the Zionist army, which is fanning the fire of the sectarian war in the Ash-Shuf area and is carrying out its terrorism against the Palestinians in southern Lebanon in wake of the Sabra and Shatila massacres finds in these rancorous crimes, which some elements of the Lebanese army are carrying out against the Palestinians and Lebanese nationalists in Beirut, an extension to its terrorism and a thick that it too can use. One wonders the role of the Lebanese army in the

Ash-Shuf area? It is clear that it is one of complete coordination with the invading Zionist army for dealing blows to the Lebanese nationalists in the Ash-Shuf area.

For this reason, the Lebanese resistance, which is escalating its operations against the Zionist invaders, must take into account that the practices of the army of the Lebanese authorities are no less serious than those carried out by the Israeli army. Therefore, the Lebanese National Resistance must confront the terrorism of the so-called legitimate army of the Lebanese authorities. The army command members in Al-Yarzah must be made very well aware that anyone who kills a Palestinian will be killed, that anyone who imprisons a Palestinian will be killed, that anyone who does injustice to a Palestinian will also be killed and anyone who unjustly treats a Palestinian will be killed.

We can understand why the Zionists kill us but we can never understand why our wounded Palestinians are assassinated in hospitals by the Lebanese army. However, we have come to understand better than anyone that he who kills a Palestinian is a Zionist.

CSO: 4400/115

PLO SPENDING, OTHER FACTORS STRENGTHEN LEBANESE POUND

London AL-DUSTUR in Arabic No 257, 25 Oct 82 p 35

[Article: "PLO Monies Help Stabilize Lebanese Pound"]

[Text] Beirut--It is perhaps surprising to see the value of the Lebanese pound rise by 20 percent in relationship to the dollar during last September. One week after the assassination of Bashir al-Jumayyil, the value of the pound rose by 9.7 percent. In the wake of the election of Amin al-Jumayyil, it rose by 4.7 percent. In fact, it is more correct to say that the drop in the value of the dollar compared with the Lebanese pound at this particular time has come as a factor helping to show some sort of political stability in Lebanon, especially in the wake of the former Lebanese president's assassination and of the Israeli forces' invasion of West Beirut.

The other factor causing the rise of the Lebanese pound's value versus the dollar stems from the PLO's spending large sums of money before its departure from Beirut to arrange its affairs. These sums are estimated at \$100 million. Last 30 September, the dollar equalled 4.2 Lebanese pounds. This constitutes a partial drop in the pound's value compared with 1975 when 2.8 pounds equalled one dollar, especially if we take into consideration the stoppage of work in numerous agencies during the war years, which alone are estimated at 30 billion Lebanese pounds, or nearly \$7 billion. Experts believe that if no new developments crop up in the Lebanese arena, the value of a dollar will again drop to less than 4 pounds.

The Lebanese pound has also displayed miraculous stability versus other international currencies, such as the French franc, which last year dropped by 25 percent against the Lebanese pound, which witnessed, in addition to the Israeli invasion, numerous skirmishes against the Syrian forces, especially between April and June last year. The value of the franc has continued to decline recently, dropping from .76 to .67 at the beginning of September and to .58 pounds per franc at the end of September. Since the outbreak of the war on 13 April 1975, the Lebanese pound has dropped by only 17 percent against the French franc, 34 percent against the Belgian franc and 17 percent against the Italian.

Numerous factors helped the Lebanese pound maintain its strength during the war years, the most important being the link between the Lebanese pound and gold and strong foreign currencies and the fact that the Bank of Lebanon re-

frained from selling any gold or any part of the pound's linkage value. The confirmed gold volume is the same now as it was in 1975, amounting to 9,222 ounces valued at the official gold price of \$422 per ounce. This means that the Lebanese pound reserves are valued at \$4 billion in gold alone, not to mention the sums remitted from Lebanese citizens working in the Arab Gulf countries and the Arab aid, despite its meagerness, considering that Lebanon has obtained only \$404 million of a total \$2 billion that the Arab summit held in Tunis 3 years ago had decided to advance to Lebanon to help it rebuild itself. This is in addition to the PLO monies.

In this respect, the wars themselves have in an indirect way helped the pound's prosperity as a result of the aid received by numerous Lebanese organizations and of the increased profits made by the branches of a number of Lebanese firms in Europe and the United States during the war years. Collectively, these factors produced a surplus in the balance of payments--a surplus totaling \$1.5 billion last year.

Two important factors are disappearing now. The first is the transfer of the major part of the PLO's budget to other countries as a result of the transfer of most of its political and military establishment and the second is the drying up of the aid received by military and political organizations in Lebanon.

Moreover, the introduction of the Israeli element will hamper all future Lebanese calculations, in particular by pressing the Lebanese authorities to conclude a peace treaty with Israel--a treaty that is likely to cause the severance of economic relations with the Arab world, as happened with Egypt, because Israel will not squander the opportunity to exploit Lebanon's situation and its economic and trade relations with the Arab states to get the lion's share for its partners [shuraka'ihah] and to insure the marketing of its goods in the Arab world. It is no coincidence that trade transactions were concluded with a number of Lebanese merchants as of the first weeks of the Israeli invasion. This shows the coordination of Israel's economic and military plans.

8494

CSO: 4404/95

UNRWA WORKERS IN BEIRUT DETAINED BY LEBANESE

TA061648 Jerusalem Domestic Service in Hebrew 1510 GMT 6 Dec 82

[Text] The Lebanese authorities have detained at least 12 UNRWA workers in the course of the wave of detentions carried out in Beirut since the IDF left the city. This was stated this morning by UNRWA's director in Lebanon to our correspondent Gabi Zohar, who reports from Sidon:

[Begin recording] [Zohar] Mystery envelopes the disappearance of the 12 UNRWA workers in Beirut. This mystery is enhanced in view of the uncertainty about the fate of several hundred, perhaps over a thousand, Palestinian refugees detained by the Lebanese authorities since the IDF left Beirut.

The UNRWA director in Lebanon is not prepared to give precise figures for Palestinians who have disappeared in Beirut but, according to him, the figure is one of several hundred only:

[UNRWA director--in English] I heard that a certain, a relatively small number of Palestinians, has been detained by the governmental authorities. This number includes United Nations staff. We have, I think, about 12 persons, I am told, have been arrested by the authorities. [sentence as heard]

[Zohar--in Hebrew] The UNRWA director in Lebanon adds that his organization is not responsible for the safety of the Palestinian refugees in Beirut. However, [words indistinct] many families coming to complain in the organization's offices about the disappearance of family members. This issue, the UNRWA director says, is the exclusive business of the Lebanese government and the Red Cross:

[UNRWA director--in English] We have no responsibility for the protection of refugees. Consequently, we have no bureau to which refugee families can come and say: One of my, well, my husband or my son was arrested. This is a matter which concerns the Lebanese Government and possibly, the international committee of the Red Cross.

[ZOHAR--in Hebrew] Well, then, up till now, the number of Palestinians who have disappeared in Beirut is not known, nor is there knowledge of what has become of them. What is clear is that the detainees include people who hold public and international positions. [end recording]

CSO: 4400/115

AL-BIQA' RESIDENTS COMPLAIN ABOUT IRANIANS

NC051811 (Clandestine) Radio Free Lebanon in Arabic to Lebanon 1645 GMT
5 Dec 82

[Text] Just like the Syrians and the Palestinians, the Iranians are creating disturbances among the inhabitants of Al-Biqa', who have always called for the withdrawal of all foreigners from their land and affirmed their affiliation to the one, free and independent Lebanon. A group of Al-Biqa' residents today complained about the isolation of their area from the other areas in Lebanon in more than one domain, saying it is no longer possible to sell agricultural products or to express their opinions freely.

A statement issued by the group said the city of Ba'labakk has become Iranian in character because of the rituals that have been imposed upon the city and the tapes containing explanations of the Iranian revolution and Khomeyni's speeches, translated into Arabic. The group has revealed that there is a factory producing these tapes [in the area] and that a number of official schools have begun teaching the Iranian revolution instead of the religious curriculum. It has also said that local radios have been set up and that they broadcast tendentious programs which are at variance with Lebanese nationalism. The group has called for the activation of the Lebanese mass media--television and radio--so that the alien media may not continue to be the only ones available to the listeners in Al-Biqa'.

The group has expressed its fear that the military reinforcements may lead to an explosion that would worsen the already shaken life in Al-Biqa'.

CSO: 4400/115

JUNBLATT TELLS FRENCH RADIO WILL WORK FOR PEACE

NC011902 Paris AFP in English 1842 GMT 1 Dec 82

[By Xavier Baron]

[Excerpts] Beirut, 1 Dec (AFP)--Druze leader Walid Junblatt narrowly escaped death today in a terrorist attack that could have a profound and grave impact on the situation in the Ash-Shuf Mountains southeast of here where Mr Junblatt's partisans have been fighting Christian militiamen.

From the American hospital, where he had been rushed following a car-bomb explosion in the Al-Qantari section of West Beirut, Mr Junblatt issued an urgent appeal for calm over the official Lebanese radio.

He said the attack must have no "negative" repercussions on either the pacification of Lebanon or the situation in the Ash-Shuf Mountains.

However, the region was said to be tense late this afternoon, once the attack became known, as anxious Druze militiamen took up positions in the streets of Alayah, 15 kms (10 miles) east of the capital. [passage omitted]

The blast, according to hospital sources, killed four persons--including Mr Junblatt's bodyguard--and wounded nine. [passage omitted]

Pierre al-Jumayyil, head of the Al-Kata'ib Phalangist Party, telephoned Mr Junblatt today to offer his sympathy, as did Mr Shamun and President Al-Jumayyil.

In a statement to French radio, Mr Junblatt later vowed that the attack would not prevent him from continuing his efforts with Christian leaders "to maintain a minimum of order and security in the mountains."

The clashes in the Ash-Shuf, which began last month in an area of Lebanon occupied by the Israelis in June, have already claimed many lives. [passage omitted]

CSO: 4400/115

FRANJIYAH TALKS TO NEWSMEN ON CURRENT ISSUES

NC010920 Ihdin Radio of Free and Unified Lebanon in Arabic to Lebanon 0730 GMT
1 Dec 82

[Excerpts] [Former] President Sulayman Franjiyah yesterday held his weekly press conference in his palace in Zgharta in the presence of the correspondents of local newspapers and the news agencies. In his press conference, President Franjiyah dealt with the current local and Arab developments.

He opened his press conference by saying:

There is a statement I want to address with all sincerity and love to his excellency the president and to all the officials with him: The official position today decides whether Lebanon will be an Israeli protectorate--God forbid--or the free and independent state which we inherited and which we will spare no blood to safeguard. Israel is trying to make us agree to direct nonmilitary negotiations in a place other than Ra's An-Naqurah. If we submit to this desire, we would disavow our reality, our past and our history--and woe unto us the curse of history, God forbid. I nevertheless acknowledge that the statements issued by his excellency the president or the prime minister are fully consistent with the national interest. Our thanks to them, and forward all the time. [passage omitted]

President Sulayman Franjiyah added: The latest report we heard yesterday was that Thatcher has refused to receive the Palestinian representative accompanying the seven-member Arab committee. My first comment is: Is it that one of those accompanying the visiting kings has been refused an audience in Great Britain, which is famous for preserving protocol traditions? The second question, which could be the truth, is: Could it be that her majesty's prime minister remembers that she was the cause of the tragedy which befell a peaceful people and which disbursed them from the land which they inherited thousands of years ago?

After this introduction, President Franjiyah replied to newsmen's questions. The first question was as follows: Your excellency the president, how do you view the Lebanese position on the question of withdrawals, and what is your opinion about this position?

[Answer] There has been no blemish on the Lebanese position advocated by the president and the government. We hope this position will be maintained at any cost, because it is based on the national interest and on the belief that the Israeli invasion is temporary. [passage omitted]

[Question] Some sources have suggested that contacts be held with Syria and the PLO to prompt them to withdraw their forces from Lebanon so this can serve as a means of pressure on the United States and Israel. What is your comment on this, your excellency?

[Answer] This suggestion means total submission to Israel's desire, because if it happens--God forbid--Israel will stay at our doorstep. We know and Israel knows that it can invade Lebanon whenever it wants and that the United States, which regrettable has done nothing until now, will do nothing if the Syrians and Palestinians leave Lebanon. If the fraternal forces withdraw from Lebanon, sister Syria will have extended the borders between it and the enemy from 120 km to more than 250 km. This constitutes a danger to it, and this is what we all reject. It has been said--and we repeat this--that Syria's security depends on Lebanon's security and Lebanon's security depends on Syria's. On this occasion, President Franjiyah added, I would like to draw the attention of the official media to a certain point. When they refer to the withdrawal of foreign armies, they should make a distinction between an enemy army and a fraternal army. They should say: We call for the withdrawal of all armies--enemy and fraternal--from our Lebanese territory. [passage omitted]

[Question] Some newspapers say you intend to go to the capital to hold contacts with the Lebanese leadership to unite the Lebanese ranks. Is this true?

[Answer] The Lebanese ranks are more united today than at any other time. As for my travel to Beirut, no one can keep away from the capital. But I have not yet found the need to make such a decision. We hope on this occasion that the telephone situation will improve, and if this happens, there will be no need for us to move. [passage omitted]

CSO: 4400/115

BANKING CIRCLES' VIEWS ON INCREASED LICENSING IN COMING PHASE CITED

Paris AL-MUSTAQBAL in Arabic No 297, 30 Oct 82 pp 43-44

[Article: "Lebanon's Stability Raises Issue of Licensing New Banks; Under Shadow of Anticipated Lebanese Prosperity, Banking Sector Has Begun To Live With Fear of Rising Demand for New Banks; Will State Policy Be Compatible With or Oppose Demands of Operating Banks?"]

[Text] At the luncheon given by the Lebanese Banks Association at the end of 1981 in honor of Prime Minister Shafiq al-Wazzan, association Chairman Dr As'ad Sawaya delivered an address urging the need to reconsider the policy followed in licensing banks in a manner that insures the soundness of the banking apparatus and at the same time guarantees Lebanon's distinguishing characteristic in the area by not restricting the establishment of new banks.

In his response at the luncheon party given in his honor, the prime minister said at the time that he was ready to discuss all of the issues concerning the banks but added statements to the effect that the government was against any monopoly of any kind.

The association understood the significance and meaning of this implicit reference by the prime minister and realized that the prime minister was not convinced in principle of the need to stop licensing new banks. Since that luncheon, the subject of licensing new banks has been shelved, and last June's events served to continue this shelving.

But as long as one thing recalls another, what now brings to mind Prime Minister al-Wazzan's statements is the fact that the topic of licensing new banks has been raised anew, even though far from the spotlight and just within banking circles. Why has the issue been brought up under present circumstances and what are the justifications?

Well-informed banking circles believe that the anticipated phase of political stability and economic prosperity in Lebanon after 8 years of destruction and ruination carries within its folds great possibilities of a big rush to obtain licenses for new banks--a rush that may exceed by far the demand shown in previous years. It is axiomatic that the banking apparatus, which has been able in the past lean years to attract banking capital and to stir the appetite of the Lebanese, the Arabs and some foreigners, will be able in time of peace to

attract still greater capital. The Arab and Lebanese capital that was not afraid to engage in banking activity during the time of war and instability will enter this sector with a considerable rush in time of peace. It is true that past licensing requests came as a result of the success achieved by the banking sector alone in war time and as a result of this sector's ability to attract deposits, which rose at an annual rate of 29 percent. But what is truer is that this sector is qualified in peace time to score still greater success, whether in terms of attracting deposits or increasing loans, which have been greatly curtailed because of the security situation and the difficulties experienced by other sectors, especially the industry and tourism sectors.

This anticipated demand for the licensing of new banks makes it necessary, in the view of banking circles, to try to avoid a backlog as of now so that this critical issue will be reconsidered on the basis of the coming phase and its requirements and of the anticipated pitfalls, considering that prosperity too has its pitfalls and bottlenecks.

It is the opinion of the banks that exploration of the coming phase must take into consideration several financial, currency and economic facts, as well as the banking sector's situation and the need to create the right climate for this sector and to further control its activity for fear that the coming phase may produce another "intra crisis" that would be a natural outcome of the economic upsurge and of the Lebanese and Arab capital's assault on Lebanon which, despite everything, has continued to be a distinguished center of finance and banking by virtue of its qualities and its free system, embodied in banking confidentiality and in the freedom of remittance.

It is also the banks' view that the freedom of banking activity, virtually confined to Lebanon alone in the area, will be a great incentive for capital to turn toward the Lebanese banking sector because this capital cannot turn to Kuwait, Saudi Arabia, the Gulf or any other country in the Arab East and most countries of the Arab Maghreb.

But these justifications for reconsideration of the bank licensing policy are also tied to two other issues on which opinions vary. However, these issues constitute an undeniable background for the demand to stop licensing or to at least curtail it.

The first issue is what is being said about the banking "saturation" being experienced by Lebanon, where it is estimated that there is a bank for every 30,000 people. This is a relatively high ratio. That may not be true for some advanced countries but it is certainly high for a large number of Third World countries and perhaps even for Second World countries.

Those speaking of the banking "saturation" theory point out several proofs, including the severe ongoing war between the old and the new banks to attract deposits and the high interest rates paid by some banks at the end of 1981--rates that are recurring now with the approaching end of the year. A prominent banking leader has said that the cost of the deposits in some banks (interest rate plus the fee paid to the Savings Insurance Organization, plus the freezing

of 15 percent of the savings as a compulsory reserve and administrative costs) is higher than the approved interest rate charged for loans. This is unreasonable and its consequences cannot be in the interest of the bank concerned or of the banking apparatus as a whole.

This group also points out that competition is legitimate and desirable but that competition between banks must take a course and a quality different from that of competition in other spheres.

This group also wonders about the fate of the banks that are compelled to compete by way of raising creditor interest rates and lowering debtor interest rates.

Naturally, there is another group with an opposite opinion. This group believes that by virtue of its structure and position, Lebanon is capable of absorbing more banks and that competition should not be feared because the banks, whichever they are, will continue to be able not to go to harmful limits.

Moreover, those demanding reconsideration of bank licensing proceed on the basis of the need to amend the method followed since 1977 in licensing banks, considering that this licensing has become dependent on the power delegated to the Bank of Lebanon.

Most of the banks agree that the Bank of Lebanon tried as hard as it could to curb demand--an effort that resulted in licensing just 12 new banks as a result of the strict approach exercised by the Bank of Lebanon, whether in terms of verifying the identity of the shareholders or of raising the capital from 15 to 30 and then to 50 million pounds. Despite this, experience has shown that some gaps exist in the legislative decree issued at the time of the first cabinet chaired by al-Huss. The most significant of these gaps are:

1. The inability of the Bank of Lebanon, despite its right to withhold the licensing of a request to meet all the required conditions, and, consequently, its exposure to pressures that such a bank should not be exposed to.
2. The sale of licenses by some owners to new groups whose identity the Bank of Lebanon could not verify.
3. The recent setback resulting from the complications accompanying establishment of al-Madinah [City] Bank. This setback has led to a general feeling that any group can now obtain a bank license as long as it possesses the sum of 50 million pounds.

In light of this, the question raised in the banking environment concerns the means that could be used to curtail the establishment of new banks without, at the same time, harming economic freedom. In this respect, several opinions are expressed. Here are the most important of these opinions:

Resorting to the establishment of tougher restrictions for the acquisition of a license, including, for example, raising the minimum capital required to 100 million pounds, raising the sum required to be frozen at the Bank of Lebanon--now set at 7.5 million pounds, introducing a provision banning the

owners of a license from selling it to others except under certain conditions, requiring founders to initiate their operations and not giving them the right to have the grace period extended and so forth.

Requiring participation in a new bank by an international banking institution on the basis that Lebanon needs to attract such institutions in order to underline its banking importance and to reinforce confidence in its banking reputation.

There are those who have reservations about this requirement, however, and who raise an extremely important point embodied in the need to preserve the Lebanese character of the banking apparatus. This is a phenomenon that started with the events.

The advocates of this view believe that the importance of the Lebanese banks has begun to grow since the events because they are the banks that have stayed and expanded whereas the foreign banks terminated their operations or reduced them to the minimum. Thus, the Lebanese banks for years have attracted the major part of the savings and loans and absorbed the major part of the employees.

Therefore, the advocates of this view believe that it is necessary to preserve the Lebanese character of the banks in a manner similar to the situation existing in some countries, even European countries. In Switzerland, we find that the national banks are the dominant banks everywhere whereas the presence of foreign banks is confined to the capital and their operations are confined to certain pursuit. This phenomenon can be observed in more than one country where the control of affairs remains in the hands of the national banks.

In addition, there are those who propose a compromise that takes into consideration the need to restrict and the importance of preserving the freedom of banking. This solution has been voiced by Dr Nu'man al-Azhari, deputy chairman of the Lebanese Bank Association, in demanding the promulgation of new legislation permitting the establishment of offshore banks similar to those in Bahrain. It is al-Azhari's belief that it is possible to control the operations of this type of bank by banning them from concluding transactions in the Lebanese pound. Al-Azhari believes that such legislation responds to the wishes of numerous financial institutions that view Lebanon as a base for launching banking activity in the area.

There are also those who propose a solution that takes into consideration all of the above-mentioned means because none of them conflicts with the other. This group believes that the fundamental issue lies in the proper visualization and exploration of the financial, economic and banking nature of the coming phase and, consequently, in determining its requirements carefully because such determination is the only thing that permits a proper legislative framework.

It can be seen from all this that the banking environment now views new banks from a perspective that differs from the past perspective. Will the state have another perspective according with that of the banks or will the dialogue of the deaf, prevalent in past years, be resumed?

8494

CSO: 4404/92

PROJECTED 1983 BUDGET DEFICIT DISCUSSED WITH MINISTRY OFFICIAL

Beirut AL-SAFIR in Arabic 25 Oct 82 p 6

[Interview with Director General of the Ministry of Finance Khatar Shibli by 'Adnan al-Hajj: "1.7 Billion Deficit in 1983 Budget; Draft Law To Improve Collection by Exemptions and Discounts"; date and place not specified]

[Text] At present, the Ministry of Finance is trying to do what it can to meet the expected shortfall in the 1983 budget, estimated at 1.7 billion pounds, by improving the collection of accumulated taxes and by carrying out investigations that were put off in previous years.

The ministry is also prepared to adopt measures that could stop the increase in the public debt accumulating on the government. According to estimates of Ministry of Finance sources, this so far amounts to 12.5 billion pounds, which the government has borrowed from banks in the form of treasury bonds and from the Bank of Lebanon.

The director general for finance, Dr Khatar Shibli, stressed that the ministry has prepared a draft law, requiring the exemption of citizens from late penalties on accumulated taxes and giving discounts ranging from 5 to 10 percent according to the payment periods following implementation of the draft law, which has been referred urgently to the Chamber of Deputies.

Shibli said that covering the shortfall in the budget could easily be achieved if the legal forces could control the ports, since the additional customs duties alone could completely cover the anticipated deficit in the 1983 budget.

Shibli underscored that payment of the Arab obligations to Lebanon, which amount to \$828 million, could also cover the shortfall and could assist in financing some of the projects. He referred to the fact that the government spends some 800 million pounds each year for subsidies for certain foodstuffs and stressing that he is for abolishing such subsidies.

Shibli turned to the condition of the Lebanese pound, asserting that it is strong, thanks to its gold and currency coverage and confidence in the banking sector. He pointed out that current bank deposits are estimated at 45 billion pounds. This was stated in an interview that AL-SAFIR conducted with Shibli. He discussed the financial situation, the deficit and financing the deficit in the budget, with the government's dependence on domestic loans. Here are the questions and answers.

[Question] The estimated budget shortfall for next year is about 2 billion pounds. In your view, what can be done to guarantee that this deficit is covered?

[Answer] The anticipated budget shortfall for 1983 is estimated at 1.7 billion pounds. This deficit could be met in several ways:

1. The natural procedure of government ports, that is, to have the authorities take over all of these ports, because of additional customs return, in the event this step were taken, would by itself be enough to cover the shortfall.

2. Make additional efforts in investigating and collecting direct taxes, since those that owe income and real estate taxes owe the Ministry of Finance huge amounts that have accumulated over the past few years, especially during the recent war years. This is estimated at more than 2 billion Lebanese pounds. Undoubtedly, there has been some delay by the Ministry of Finance due to the failure to investigate at the appropriate time, in addition to its hesitancy in making collections, not to mention the fact that the causes of the hesitancy in both investigations and collections were due to the difficult security conditions in which we lived.

As for today, security in the country has been restored to a great extent, and it has become possible for officials to carry out their duties in a normal fashion. I have asked the bureaus to make out a direct taxation schedule (income and real estate) during the next few months so that there will be no delay in starting up the first part of next year.

As soon as the tax schedule is issued, collection activities will be initiated. From these measures, an increase in government revenues will be produced, estimated at between 1.5 and 2 billion pounds for 1983. This amount by itself is enough to cover the 1983 budget shortfall.

3. As a result of the Tunis summit conference resolutions, as of the end of 1982, without counting 1983 obligations, the Arab states owe the government \$828 million. If we obtain this amount, it would be enough in itself to cover the deficit. and the balance could be devoted to implementing some projects.

[Question] How can the deficit be financed, and what is the size of the public debt stemming from domestic and foreign loans?

[Answer] In the event we have one, the deficit will be financed through domestic or foreign loans. We use domestic loans in two forms--treasury bonds that the banks lend to the state and borrowing from the Bank of Lebanon.

As for the public debt, it is very large. It has become necessary to meet and stop it. Consequently, the countdown has begun, in view of the enormity of this debt.

[Question] Has the ministry prepared specific projects for the beginning of the new regime to encourage those that owe to pay their accumulated obligations through the use of discounts or exemptions from late penalties?

[Answer] During the war years, collection almost stopped, except for direct taxes. The reason was that those that owed no longer came to the state treasuries voluntarily to pay their taxes, as they had in the past. During those years, officials could not go to those who owed and demand that they pay their taxes.

Several problems have occurred between those who owe and the officials in this regard, due to the bad security situation over the past few years. Therefore, the officials have not been able to seize the property or assets of those that owe taxes, in lieu of payment, and sell that property at public auction, which we could do in normal circumstances.

To deal with this situation, and to encourage citizens to fulfill their tax obligations, especially at the outset of the new regime, for which we wish success, we have drafted an urgent law, which could encourage those who owe to pay their back taxes.

[Question] What are the most important measures of the draft law?

[Answer] The draft law exempts those who owe taxes from late penalties and informs them of a 10-percent discount for taxes that they pay within 2 months of the date the law is promulgated. Then there would be an exemption from late penalties and a 5-percent discount if these taxes are paid within a month after the aforementioned 2-month period. After that, there would be no exemptions from late penalties and no discount. After the end of this last period, penalties would become effective, at a rate of 18 percent of the value of the taxes.

This is the essence of the draft law, which has been urgently referred for adoption at the earliest possible time.

[Question] What is the amount that the treasury is expected to have to assume because of the subsidy of fuel products, wheat and sugar beets for 1983? What is your view regarding the policy of reducing the subsidy for these materials?

[Answer] We cannot give a true, accountable figure for the cost of subsidizing these materials because of the delay in settling the budget accounts and treasury accounts. We hope to conclude these transactions, which have been delayed because of security circumstances, within a few months. I can estimate that the policy that the government follows, with regard to fuel, wheat and sugar, costs about 700 or 800 million pounds a year.

In my view, the policy of subsidies must be abolished in its entirety, first, because it is impossible financially for the state to bear this burden, and second, because the prices of subsidized commodities are considerably less than comparable prices in most other countries. For example, I recall that a can of benzine in various countries of the world ranges in price from 50 to 80 Lebanese pounds, while in Lebanon it goes for 33 pounds.

[Question] But the other countries give their citizens health, education and family services far in excess of what the Lebanese Government offers, in addition to the disparity in minimum income between those countries and Lebanon.

[Answer] I say that the subsidy must be abolished. This is a matter that is separate from other matters, since the state must collect its funds and then pay out to the citizenry in a like manner, that is, take its funds and offer whatever it can.

[Question] It is said that the Ministry of Finance has prepared a draft law permitting exemptions for press organizations and journalists from taxes. Is there such a draft as this?

[Answer] So far, there is no such draft. All there is is that finance ministers have prepared memoranda for collection offices, requesting delays in the collection of taxes from editors and journalists, without these memoranda having any legal status. My personal view is that it would be best not to differentiate one citizen from another in tax matters.

Regarding the condition of the pound, Shibli said: "The pound is very strong. This is reflected in its improvement vis-a-vis foreign currencies. What has increased its strength are the gold coverage and foreign currency, in addition to the high interest rates." He also referred to the confidence in the banking sector and the public's rush to bring their deposits back from overseas and deposit them in Lebanese banks. The amount currently on deposit in the banks is estimated at 45 billion pounds.

7005

CSO: 4404/76

GOVERNMENT WAGE INCREASES APPROVED; ACTION ON INFLATION EYED

Beirut AL-NAHAR in Arabic 26 Oct 82 p 3

[Article: "Increase of Public Sector Salaries; 15-Percent Raise for Heads of Government, Ministers and Deputies"]

[Text] The Parliamentary Committee for Finance and Budget yesterday approved a draft law authorizing a raise in the minimum wage in the public sector; a change in the salary structure, after amending it to give the president, the president of the chamber, the prime minister, ministers and members of parliament an increase of 15 percent; and government assistance for the free, private schools for the 3 summer months.

The committee held its session at 1115 in Mansur Palace, chaired by Deputy Makhayil Dhahar. It was attended by the vice president of the Chamber, Munir Abu Fadhil, Deputies Ilyas al-Harawi, Jibran Tuq, Salim al-Ma'luf, 'Ali al-Jhalil, George Sa'adah, Husayn al-Husayni, Anwar al-Sabah, Ra'if Sammarah and Hamid Dakrub. Attending for the government were the minister of defense and education, Mr 'Isam Khuri; the minister of information and justice, Mr Roger Shikhani; and the minister of finance, Mr 'Adil Hamiyyah.

Also in attendance were the director general for finance, Dr Khatar Shibli; the president of the Supreme Court, Yusef Jibran; the director general of the Civil Service Commission, Mr Muhammad Sha'itu; the head of the private education agency, Mr Sa'id al-Hajj; the head of the disbursements agency, Mr Nabih al-Halabi; the director of sessions and committee affairs, 'Adil Shuayri; and secretary 'Ali Mahna.

Conferee sources made it clear that Fadhil proposed that the draft to increase the salaries of the president, the president of the chamber, the prime minister, the ministers and the deputies by 15 percent be studied. The minister of finance objected, stating that it should be returned to the government in view of the burdens that would ensue from such an increase. However, the deputies made it clear to him that this proposal was mentioned in previous drafts and that this increase was normal, in view of what was constantly happening. He was unwillingly convinced.

An article requiring the implementation of this increase was incorporated into the draft (Article 9).

Moreover, one of the articles was amended so that the phrase could be added: "The state will participate in assisting the free, private schools for the 3 summer months."

Discussion concentrated on the government's appeal for radical action on the problem of the high cost of living or for an increase in the salaries of public sector employees by an amount equal to the rise in the cost of living. Dhahar and a number of deputies stressed the need to apply the principle of reward and punishment in the official bureaucracy and to unify the salary structure for public sector employees on the basis of competence and educational background, emphasizing that the best people in the state offices are going to the private sector due to the declining level of official employment.

The ministers expressed their readiness to deal with this situation to the extent possible.

After the session, Dhahar said, "The committee studied the draft law, which the government referred to the chamber, requiring a raise in the minimum for salaries and wages in the state offices, the University of Lebanon, state organizations not subject to the labor law and private schools, changing the salary structure, granting an increase to pensioners and giving contractors in the private schools an emergency increase. The committee approved the articles of the draft as reported, with some slight modifications."

7005

CSO: 4404/76

MINISTER DISCUSSES REVIVAL OF OFFICIAL POSTAL SERVICES

Beirut AL-NAHAR in Arabic 3 Nov 82 p 6

[Article: "Companies Transporting Mail Will Continue To Operate Until End of 1982"]

[Text] George Afram, minister of post and telecommunications, met yesterday with Dr Ahmad Malik, postmaster general, and discussed with him the issue of the private companies that transport mail to and from Lebanon. Dr Malik informed the minister that in accordance with legislative decree No 136/59, the right to transport mail is confined to the General Postal Directorate and that, consequently, the companies' involvement in transporting mail to the establishments is in violation of the law.

During the events, a number of companies transported mail to a number of firms, banks and industrial and commercial establishments according to private agreements and for high rates.

After studying the condition of the postal services that have not returned to normal yet and out of a desire to facilitate operations of the economic establishments and organizations, it has been decided that the General Postal Directorate will adopt special measures to enable the mail-transporting companies to continue their work in accordance with a pledge and a financial surety to safeguard the Treasury's rights and for an interim period ending with the end of 1982 "when the General Postal Directorate is able to revive its operations and provide its services and until it can draft a legal or contractual formula for agreements to insure these companies."

Minister Afram has stressed his determination to exert efforts to make the official postal services in Lebanon "capable of competing with the private companies in providing rapid service."

8494

CSO: 4404/92

BRIEFS

NEW SECURITY COMMANDERS APPOINTED--The cabinet held a meeting at 1900 today under the chairmanship of President Shaykh Amin al-Jumayyil and attended by Prime Minister Shafiq al-Wazzan and the ministers. Afterward, Information Minister Roger Shaykhani announced the appointments of Col Ibrahim Tannus as army commander and his promotion to the rank of general, of Hasham Ash-Sha'ar as director general of the internal security forces and of Zahi Bustani as director general of public security. Legislative Decree No 1 has been issued, giving the officers 2 months to decide if they want to resign and be paid full compensation. [Text] [NC081917 Beirut Domestic Service in Arabic 1900 GMT 8 Dec 82]

SALARIES FOR MILITIAMEN--1. All soldiers who have signed a volunteer contract and have not come to the Khayr Allah Salamah Barrack in Marj 'Uyun and, therefore, could not join the groups to which they are assigned should, by all means, come this morning to this barrack in order to join their groups. It should be noted that whoever fails to show up, no matter for what reasons, will be considered legally released from the Free Lebanon Army. 2. We would like to inform all the veterans that following consultations with the authorities concerned, we decided that if the army command pays the salaries released so far, we will renounce the sums we paid to the soldiers who are on active duty. However, we will take back the money paid to those who have left the Free Lebanon Army and return it to the original source. This procedure will not include those who joined Al-Yarzi purely for health reasons. [Text] [Statement by Lebanese militia leader Maj Sa'd Haddad on 7 December; place not given--read by announcer] [TA070859 Marj 'Uyun Lebanon Voice of Hope in Arabic 0600 GMT 7 Dec 82]

IRANIANS REPORTEDLY INFILTRATE BA'LABAKK--While the situation has remained tense in Al-Biqa', about 300 Iranians have reportedly infiltrated via Al-Qa' toward Ba'Labakk to join the Iranian gunmen in the town. [Text] [NC081552 Beirut Voice of Lebanon in Arabic 1515 GMT 8 Dec 82]

ISRAEL PREPARES DETENTION CAMP--Action has lately been taken to prepare areas in southern Lebanon for the establishment of another detention camp for several hundred terrorists who will be separated from their friends in the existing Ansar Camp. This move has been taken since the crowding in Ansar, where 5,000 detainees are held, causes tension among the terrorists. In recent months several incidents have occurred between the terrorists and the Israeli

guards, against this background. [Excerpt] [Report from the north by Menahem Horowitz] [TA031243 Tel Aviv HA'ARETZ in Hebrew 3 Dec 82 p 3]

HADDAD ACCUSES SYRIA—[ma] Sa'd Haddad maintains that Syria is constantly trying to keep the fighting going between Christians and Druze in the Ash-Shuf Mountains. He told our correspondent Hayim Hecht that Syrian agents are inciting both communities and supplying them with arms and ammunition. The agents and the ammunition sometimes come from the Lebanese area that is under Syrian control, to the Ash-Shuf Mountains, Haddad said. [Text] [TA061528 Jerusalem Domestic Service in Hebrew 1500 GMT 6 Dec 82]

MILITARY COURT RELEASES MILITIAMEN—Fourteen members of Major Sa'd Haddad's south Lebanese militia have been freed by the Lebanese authorities after 2 months of questioning regarding their suspected involvement in the Beirut massacre. The Associated Press quotes sources at Beirut Military Court as saying that no evidence could be found to determine whether any of the 14 had taken part in the massacre. The Lebanese authorities have held no other suspects in connection with the Beirut massacres. [Text] [NC040618 Marj 'Uyun Lebanon Voice of Hope in English 0550 GMT 4 Dec 82]

BANKING SECTOR STATISTICS--By the end of 1981, the number of employees working in the banking sector totaled 11,442, an increase of 8.9 percent over 1980. This number of banking sector employees constitutes nearly 8 percent of all employees registered in the National Social Security Fund. As for the wages and related benefits allocated by the banks in 1981, the total was 574.5 million Lebanese pounds distributed as follows: 385.2 million pounds for wages, 21.9 million for family compensation, 127.8 million for severance pay, 15.6 million for health insurance and 24 million for other forms of compensation. [Text] [Paris AL-MUSTAQBAL in Arabic No 296, 23 Oct 82 p 41] 8494

FORMATION OF ENERGY COMMISSION--In accordance with decree No 5444 of 20 September 1982, a central energy commission has been formed under the chairmanship of the minister of industry and petroleum. The commission includes as members the general directors of the following seven directorates: The National Scientific Research Council, the General Petroleum Directorate, the General Directorate (for Hydro-Electric Equipment), the Industry Directorate, the Lebanon Electricity Establishment, the National Authority for al-Litani River and the Beirut Chamber [of Commerce], in addition to a number of specialists in solar energy, petrochemistry and geology. The formation of this commission meets in principle an urgent Lebanese need, if it produces positive results that guarantee cooperation between the ministries concerned and that establish a general policy for the various energy sources, such as water, the sun and fuels. Past experience concerning the formation of similar commissions, however, does not seem encouraging because of the contradictions they create involving the existing ministries. [Text] [Paris AL-MUSTAQBAL in Arabic No 296, 23 Oct 82 p 39] 8494

CSO: 4404/95

DEVELOPMENT OF OIL REFINERY NOTED

Nouakchott CHAAB in French 2 Nov 82 p 3

[Text] The National Refining Industries of Mauritania (SOMIR) began marketing its first petroleum products, just out of the refinery, last week.

It will be recalled that the factory began operations last July after a long period of closing. At that time it received the first shipment of 95,000 tons of crude.

The event was greeted with great surprise, because to be frank immediately many people predicted a disaster, even at the last minute. And even the most optimistic hypotheses indicated that this big mixture would explode during the processing of the crude.

Who could have imagined that it would be possible to get anything out of this collection of pipes of all sizes, this multitude of storage vats, in brief, this conglomeration of extremely complex precision installations that had been worked on by corrosion, rust and sand storms for 5 years?

A brief tour of the refinery was enough to show us the unimaginable spectacle. Even now that the restoration work has been completed and the refinery is beginning to really function, one is aware of a sense of abandonment; the installations are unkempt, whole pumps have been swallowed up by the sand, and there are cracks in the foundations of some of them.

One of the Algerian technicians told us that they had to change pipes 400-500 meters long.

So bringing this refinery into operational condition was a real challenge for the brilliant team that runs the company.

Their first job, after drawing up a report, was to sign an agreement for the reopening of the refinery with the English company Kellogg, which took charge of all the restoration work for several months.

In this context, Algeria's furnishing high level technicians to SOMIR made it possible to strengthen the technical structures a little and reinforce the existing team supervised by three Mauritanian engineers and composed mainly of intermediate level technicians mainly trained in Qatar and Algeria.

This is an opportunity to pay tribute to the spirit of sacrifice and nationalism of these dozens of Mauritanians who, when the announcement was made that the company was reopening, left salaries of 100,000-200,000 ouguiyas in factories in Qatar so that they could participate in this great work.

The sentence written by Colonel Maaouiya Ould Sid 'Taya--prime minister and minister of national defense--in SOMIR's golden book was significant, therefore: "All our congratulations to the team which reopened the oil refinery."

Thus the first tests of the installations' performance were to begin; this brought out the facts that the oil port, which was approved in 1977 without testing, cannot accommodate small ships of between 1,500 and 6,000 tons, and that the gas unit is incomplete, as it does not permit the recovery of more than 50 per cent of the gas contained in the curde oil.

As regards the gas unit, butane production will increase by 8,000 tons per year while propane production will be brought to 7,300 tons. Propane was burned originally because it was not in conformity with commercial specifications.

So as to permit a Mauritanization of jobs, SOMIR sent about a hundred young workers to be trained in Algeria in April 1981.

These technicians have already begun work. Another 100 technicians now in training should be added to these.

The factory will employ 250-300 persons and will have a turnover of over 15 billion ouguiyas when running at full capacity.

As for the marketing of refined products, nearby African countries (Cape Verde, Mali, Senegal for gas) have already begun discussions with SOMIR about being supplied by the Nouadhibou Oil Refinery.

Thanks to the assistance of SONATRACH and to discussions which have begun with both American and European companies, we shall find markets for our products, which are among the best from the standpoint of quality.

Fuel oil will be our main export product. The United States will be the largest consumer of this quality fuel oil from the refinery.

As for domestic markets, the setting in motion of the Buelbs and the SAMIN d'Akjoujt projects, the sugar refinery, and the recovery of consumption in the fisheries sector will make it possible to bring demand close to 500,000 tons per year before 5 years have passed.

For the fisheries sector, the purchase of barges in a solution being considered for the continuous supplying of boats along our coasts.

Questioned about his impressions at this time when the refinery is beginning production, Mr Lemine Sherif made no secret of his satisfaction over the happy conclusion of the efforts the national leadership has made for the reopening of the refinery. We are very proud of this positive result of the recovery policy that has been embarked on by the armed forces, he said, adding that the products the Mauritaniens are going to consume are of excellent quality, and that is very important because the quality of petroleum products determines the lifetime of the equipment.

Questioned about the tests run on the installations, Mr Lemine Sherif stressed that they were performed under good conditions and were conclusive in every way.

The results surpass expectations, he added, stressing that the operation of an oil refinery follows well defined international rules.

Finally, Mr Lemine Sherif paid enthusiastic tribute to the aid contributed by Algeria to Mauritania for the reopening of the oil refinery, this refinery which is, he said, a living example of Arab cooperation and complementarity.

The oil refinery consists of four units:

- an atmospheric distillation unit;
- a unit for the removal of hydrogen sulfide;
- a catalytic reforming unit;
- a gas treatment unit.

Based on the processing of 1 million tons of crude oil, the expected distribution of refined products is as follows:

- gas (butane, 25,700 tons per year)
- Ord and Super gasolines (275,000 tons per year)
- kerosene, 83,000 tons
- gas-oil, 2,000 tons
- fuel oil, 357,000 tons.

Given the quality of the oil being processed (Hassi-Messaoud), the products are of high quality and especially attractive for export.

The refinery has a storage capacity of over 300,000 cubic meters, including all products.

The oil port has all the transportation lines for moving refinery products from the factory to ships.

The refinery also has a deballasting station for the treatment of oil discarded into the sea. This purification center will make it possible to reduce to a minimum the risk of polluting the bay of Nouadhibou.

9855

CSO: 4519/68

REPORT CRITICIZING COUNTRY SCORED

London ARABIA in English No 14, Oct 82 pp 8-10

[Text]

Arab-bashing" has been a popular pastime in the West since the Crusades. Enthusiasm for this sport has been rekindled in recent days by the Arabs' success in obtaining a fair price for their oil exports. Today the West sees an opportunity to cut the Arabs down to size by busting Opec and engineering an oil glut. The chief obstacle to the successful implementation of this policy is the kingdom of Saudi Arabia.

It is not surprising, therefore, that a series of covert initiatives aimed at undermining the credibility of the Saudi regime has been developed in western countries. One such challenge is offered in the Economist Intelligence Unit's report entitled *Saudi Arabia: the Development Dilemma* (EIU, London, 1982).

The report makes interesting reading for two reasons: first, its alleged objectivity is derived from an analytical framework which is supposedly value-neutral and capable of generating "scientific" conclusions untainted by ideological bias; second, these conclusions provide a clue about the nature of the West's disquiet as far as Saudi Arabia's development is concerned.

In this article we will concern ourselves exclusively with exploring the objectivity of the EIU report. In a subsequent piece we will attempt to spell out the real reasons behind the apprehension of a section of the western establishment about the economic policy choices of the Saudi Arabian government.

The report begins by drawing attention to flaws in the methodology of national accounting in order to "correct a misleading and often flattering impression of wide-scale growth and economic diversification." The alleged flaw consists of double-counting oil revenues, once as exports and again when the government pays them out as expenditures. Correcting the

mistake would imply that what is normally shown as value-added by the non-oil sector is, in fact, no income at all.

The fallacy in this view is that, by definition, the national accounts embrace the whole circularity of transactions in the economy over a given period. In the case of oil producers, this includes the chain of transactions starting with the sale of oil abroad, the latter yielding amounts for which real goods and services are being purchased that, in turn, generate the incomes (wages and profit) shown in the accounts.

Of course, if the objective is "to rid the Saudi national income accounts of the double-counting effects," it will be found that only a small portion of the non-oil value added is entirely independent of government expenditure or is otherwise produced domestically. This state of affairs cannot be construed as a critique of the "government's exaggerated claims for successful emancipation from oil."

The non-oil sector depends at present on the government as its main market, and also on the outside world as its main source of supply. However, this dependence is structural (that is, arising from the structure of the Saudi economy) and not functional (that is, it is indifferent to the source of finance behind the demand it is asked to satisfy, and would perform in the same way regardless of whether oil revenues, non-oil exports, domestic savings or credit from abroad was the source of demand).

The apparent force of the report's (technically untenable) argument about the unreality of the non-oil economy thus dissolves into a semantic twist. For it suggests, in a rather absurd manner, that "non-oil" should mean economic activities unrelated in any way to oil revenues. This condition would put the non-oil

sector outside the total development effort now taking place.

Equally unrealistic – indeed, it is utopian – is the presumption that “non-oil” should have near, new activities with an appropriate export potential to substitute for oil. Such capabilities, as responsible analysts know full well, cannot simply spring up at the early stages of development. They have to be created with careful regard to long-term factor (labour and capital) availabilities and market configurations.

THERE is also another layer in the “double-counting” argument. It relates to the fact that oil exports exhaust a non-renewable resource which, as in the case of oil, serves as the main asset financing almost exclusively the development process. Hence arises the question of whether oil revenues represent payments for capital rather than for income.

Unfortunately for the “double-counting” argument, there is no problem here with national accounts methodology – since the latter allows for gross income to include depreciation as the value equivalent of capital absorbed in production. The argument, therefore, shifts towards identifying the capital element in a unit of oil revenue.

Insofar as both oil producers and consumers accept that future scarcity (that is, the consequence of depleting a non-renewable resource) should be reflected by an additional element in the price, the oil revenues can be said to include a capital component. Of course, in the real world no one is interested in the theoretical correctness of prices, only in their operational significance as incentives to produce more (or less), or to go (or not to go) for substitutes.

This suggests that, in practical terms, the capital element's presence is indicated when the actual price is both *above* the current (marginal) cost of production, and *between* the capital cost (to the oil consumer) of a substitute source of energy and the capital cost (to the oil producer) of exports replacing crude oil.

This line of reasoning could have been an ideal opening for an objective assessment of the kingdom's whole development strategy, and its objectives, time-scales and so on. The report evades all confrontation with official thinking. It can only state that “capital formation has been high over the period but has yet to prove its productivity.”

While not incorrect, this is the accountant's voice, completely aloof from the purpose and specific problems of the kingdom. There is only the mischievous comment that “income distribution was distorted drastically by the first oil price explosion.” The reader is not told

that the comment concerned the proportional increase in the oil revenues registered, correctly, as profits accruing to the oil sector.

Instead, the report tries to evoke the image of capitalist exploitation at its extreme, and laments (at great length) the impact of oil revenue increases on the intra-personal income distribution pattern.

THE report also states: “The plans to use the oil revenues to create a diversified and self-sustained economy have to date been seriously thwarted. The expansion of local economic activity, and the huge expenditure on infrastructure, have so far benefited the productive sectors of the industrialised world and the unemployed of OECD and Asian countries more tangibly than many Saudi nationals. They will continue to do so as long as national income is not derived independently of the expenditure of oil revenues.” This is nonsense, for three reasons.

First, it is both unrealistic and unnecessary to visualise the future structure of the Saudi economy without the contribution of the hydrocarbon resources. This is especially so when those resources are among the largest in the world, and when (through their accessibility) they confer unique comparative advantages as a long-term material base for development.

Second, even if the ultimate objective were complete independence from oil, it is a surprisingly naive (and, in respect of postwar development experience, ignorant) assumption that a “diversified and self-sustained structure” could have been created against the background of the Saudi economy's actual factor endowment, within a period of a single decade. No such objectives have been announced for any of the three actual plan periods. Instead, care has been taken to ensure that the overall development strategy is made up of logistically feasible and mutually reinforcing stages.

Third, the alleged fact that the world at large has been benefiting more from Saudi development through participation than have many Saudi nationals is just another example of the report's inconsistent demagoguery – for the next sentence reads: “There is no denying that the standard of living of the average Saudi has increased immeasurably at the consumer level.” The subsequent qualifying statement (“but at the cost of most traditional forms of activity”) is also misleading, since many traditional activities, like those now being replaced by technological change in the industrial world, are no longer providing satisfactory incomes.

Besides, one of the expected as well as desired consequences of development, follow-

ing the creation of a modern infrastructure, is the movement of people from lower- to higher-paid occupations. This movement which, on the strength of polarities of income and opportunity, is also part of a worldwide phenomenon, must be particularly strong in a country where (using the report's own words) "the sectoral distribution of the workforce bears very little resemblance to the distribution of GDP by economic activity."

THE report singles out the Third Development Plan for special criticism, and its comments on it show the same mixture of arrogance and superficiality as those on recent economic history. The following paragraph is characteristic of the style, and of the sweeping generalisations presented as judgments.

"The third five-year plan retains much of the character of a project list with its financial implications not worked out to the full. The plan seems to suffer from a weakness noted in the previous ones, namely that although manpower, infrastructure and other obstacles to economic development are acknowledged, they are not included in the central projections. Undoubtedly, this is in part a reflection of the dichotomy between economic rationality and political experience that exists in the kingdom."

The logical need to deal in the report's subsequent paragraphs with the actual nature and functions of Saudi planning (for example, its progressive outgrowth from medium-term budgeting; its guiding role as the comprehensive strategy for structural change; its flexibility through the links with annual budgeting) has been avoided with dismissive references to "significant deviations" of achievement from targets.

But the whole spectrum of socio-economic and institutional factors (representing the main interacting constraints of the Saudi development process) and the policies aiming at their progressive resolution have been left unmentioned. Instead, attention is directed to alleged contradictions in the third plan, since the "specifics of the sectoral targets reveal some of them to be almost mutually exclusive."

A typical analytical treatment to explain "nagging doubts about the accuracy of the third plan" consists of juxtaposing two figures: the annual growth rate for the non-oil and oil sectors combined (3.3 per cent) and the report's own annual rate for population growth (3.6 per cent, as against the 3 per cent or so implied in official and international publications). The report's mechanical conclusion is "a promise of real decline in the average standard of living."

This completely overlooks the fact that the real standard of living in Saudi Arabia depends primarily on the level of non-oil income, and the latter's effective purchasing power relative to the volume of goods and services available. Subsidised prices for essential items, as well as the monetisation of (land) assets, increase the growth of consumption potential beyond that of income. Thus, in the period of the Second Development Plan, during which the annual growth rate for per-capita GDP (including oil) was just under 6 per cent, the annual per-capita growth rate for non-oil income was 12.4 per cent and that for private consumption over 15 per cent.

SAUDI agricultural policies as set out in the Third Development Plan are also strongly criticised in the report. The gist of the argument is that, in the name of self-sufficiency, a modern sector is being created which, without subsidies, is bound to remain non-viable economically.

In respect of water, agriculture's most important input, the report criticises the "complacency now prevailing after the discovery of large aquifers, as the real costs of their development are unlikely to be passed on to the water users (the danger of perpetual subsidies) and because of the uneconomical use of expensive irrigation water and of the selfish tapping of aquifers."

Apart from misreading the water plan's regional details for 1985, some of the individual points raised do refer to real problems. The question, however, is whether or not the main thrust of agricultural development is correct and ultimately beneficial.

The answer to this question must be in the affirmative because:

- The preservation of agriculture's primary asset, the land, and the improvement of its productivity through higher and more efficient inputs of capital and water (also by chemicals), cannot be faulted as the main strategic objective - especially when viewed against the background of rural migration and the resulting need for changes in traditional agriculture;
- The present picture of cost-effectiveness for inputs and the pattern of crops produced is not necessarily optimal. Technological and institutional changes, especially when relying on a much improved infrastructure, will combine to strengthen the farmers' ability to utilise market opportunities;
- Government support to agriculture is a worldwide phenomenon. Whom to support, how and within what limits, cannot be generally established. Only the alternative principles of the support system should be identified (whether by allowing higher selling prices for agricultural output or, alternatively, by supporting farm production at the level of input

costs, and through guaranteed prices and so on). The review of the kingdom's subsidy/support system is on the agenda of the Third Development Plan.

Judging by the vehemence of the report's views against a policy of agricultural self-sufficiency, one would have expected a corresponding understanding for the aims of hydrocarbons-based or energy-intensive industrialisation. The support is not unqualified, however, as "doubts and problems abound."

One of these concerns the parlous state of the international markets for petrochemicals, which Saudi production would exacerbate. The second relates to the financial return on total investment (including infrastructure) as compared to the return on straight exports of crude oil. The third questions the strength of petrochemical activities' planned links with the rest of the economy.

However, these so-called doubts are by no means new. It must be borne in mind that the extent of the Saudi comparative advantage in oil is such that the kingdom's own production will simply hasten the necessary process of relocating petrochemical industrial activity in the world to the low-cost oil producers. The weight of planned Saudi petrochemical output (around 5 per cent of world production) should be assessed against the background of 23-35 per cent of world capacity made idle by the miscalculations of company planners in the industrial countries.

Moreover, as for the comparative economics (that is, the interests of "world welfare") of Saudi industrialisation, it should be recalled that, whereas the comparative advantages of a country are not the same for each product, they are comparative advantages nevertheless.

In the kingdom's case, this means that international resource allocation will continue to be improved as long as the petrochemicals so produced remain competitive internationally. There are no indications of new or old producers emerging with better cost-return configurations in these activities.

As for crude oil exports maximising the kingdom's comparative advantage, the argument is dishonest – because adherence to it would simply block the most rational route the kingdom has for industrialisation.

Equally misleading is the inclusion of infrastructural costs in the comparative costs of Saudi industrial development. The rapid and comprehensive development of infrastructure is both a functional necessity and the elimination of an inherited disadvantage. Its costs in any location must, in principle, remain independent of the productive activities concerned.

It should also be pointed out that linkages, connecting oil production to other (employment- and knowhow-generating) downstream activities, have been the guiding concept in

hydrocarbon-based industrialisation, especially in the designs for Jubail and Yanbu. There is also evidence to show that strong backward linkages can be – and have been – generated in these areas. Such evidence is, of course, totally disregarded by the report.

IN CONCLUSION, the report describes the Saudi economy as one that "seems to be almost nosediving into a period of retrenchment and reduced economic activity." The likelihood of a recession is deduced from, among other things, the disproportionately high levels of expenditure already budgeted for the first 2-3 years.

The report implies that the substantial excess relative to the planned level could only be rectified by corresponding cuts in the allocations for the remainder of the period. Revenue expectations "might be supposed to introduce a degree of caution" too.

The report's reasoning on this point is, as elsewhere, narrow and over-rigid. It is arithmetically correct to say that if the plan's total for public expenditure is to prevail, expenditure levels will have to be trimmed. The real issue, however, is not the observance of the plan's targets, since the possibility of a review has been integral to the plan.

Furthermore, the raised levels of expenditure budgets themselves were clear indications of revised magnitudes entering economic policy. What really matters now are the essentially external reasons for a possible future decline in the growth of public spending. No exporter, whether of raw materials or machinery, can remain immune for long to the state of his markets. There has been prolonged instability in the world economy, with complex adjustment processes affecting the demand for energy, and oil in particular.

The kingdom's main concern is the time-frame in which the world economy will be able to consolidate a new trend in oil demand. This is the most important external factor emerging since the finalisation of the third plan. Its impact on the Saudi economy's growth potential must weigh more heavily than those based on different earlier assumptions about the external world.

Characteristically, the report is vague about the nature of the anticipated downturn (it is called "relative contraction" in one place, "recession" in the other). No venture is done as to the expected decline's likely extent: it might be a growth-recession or a real recession with negative growth rates.

The suspense is unnecessary, however. The kingdom has comfortable margins to protect the economy from extreme effects. Even if there is a need for revised revenue estimates and, in their wake, for changes in some of the parameters of the plan, the strategic priorities need not be jeopardised.

ANTI-TERRORIST TRAINING CENTER FOR SAUDI ARABIA

Kaduna SUNDAY NEW NIGERIAN in English 14 Nov 82 p 6

[Text]

Some German private companies established the biggest anti-terrorist training centre in the world in Saudi Arabia, the German newspaper die Frankfurter Randschau has revealed.

This followed the development of the Islamic Movement among the Muslim people of Saudi Arabia, which had caused some panic among the Saudi ruling class. It is gathered that some German trainers will also reside in this centre which has been so established. The regional radios further quoted the newspaper as saying that Saudi authorities, while giving special priority to the formation of this anti-terrorist centre which will be used to suppress the Islamic Movement in the country, have announced their readiness to invest heavily in this plan.

In another development, a mosque in Damman was completely destroyed by government agents due to the regime's increased distrust of Muslim gatherings, reported a reliable source in Saudi Arabia.

The report added, the Muslims who use this mosque then continued to hold their congregational prayers on the plot of the now-ruined mosque.

The Saudi agents next dug up the plot forming it into a pool, thus making it impossible to hold further prayers there.

It could be recalled that in November, 1979, the Saudi security forces had street clashes with Muslim "militants" in Mecca when the former tried to

search houses of people suspected to have arms after a tip-off.

This was strongly resisted by the revolutionaries, who seeing they were overpowered by heavy government war machinery of tanks and machine guns, took refuge in the Ka'aba. This was wrongly reported by the Western media and their satellites as a siege of the Ka'aba by "religious renegades" in an attempt to cover up the reality of events in that kingdom.

This October about 69 pilgrims were expelled from Saudi Arabia for demonstrations condemning Saudi, American, Soviet and Israeli regimes as "taghut" (tyrannical).

Joined by thousands of pilgrims from other countries, the demonstrators carried placards and voiced out slogans against "taghuti" regimes of the world, which are "led and teleguided" by the super powers.

Some political analysts have observed as two-fold the fear the Saudi monarchy and its American allies nurture about these demonstrations during hajj. Strategic and economic.

In strategic terms, Saudi Arabia, housing the Ka'aba — centre of gravity around which the entire Muslim world revolves, yearning in their millions annually for Islamic values and orientations in politics, economics, etc. all symbolised in the rituals of hajj, the coming to power of a popular Islamic regime will end up in the mass mobilisation of millions of

muslim masses of strategic countries against their own governments. The cumulative effect will be the spontaneous re-emergence over the globe of fiercely anti-imperialist Islamic regimes backed by extensive oil reserves, who would rather chose to quicken the demise of western influence and civilization in the third world, than allow a trickle of their oil flow down West or East.

That official circles in Tehran have consistently complained against Saudi manoeuvres to play down value-loaded rituals of Hajj is a pointer to the popular belief among authorities on Middle East that in the Ka'aba alone lies great "energy" for the ignition and inflammation of forceful and dynamic Islamic Movements.

To ignite by Hajj, the birth of such movements lie deep-rooted in Tehran's ambitions to be the leader of the Arab and Islamic World.

"The propounding by reknowned Mullahs on the ritual of "stoning idols" in the Ka'aba premises symbolising bullets against "laghuti" regimes can be a singular precipitator of a flare of agitations among "pilgrims" say specialist on Islamic religion.

For the economic factor, the analyst further argued that Saudi Arabia, the world's largest exporter of oil is the major country oiling the wheels of western technology. Besides, billions of dollars of oil-wealth is invested in to the western economies by security conscious sheikhs. Moreover, the exportation by oil-agents of Saudi oil to conservative regimes like the zionist and racist regimes of Israel and South Africa greases the continuous perpetuation of their anti-popular policies.

It is believed that many a Mullah in or outside the Kingdom at the reigns of Islam's strategic religious centres like Mecca's Ka'aba, are bought up and muzzled by the power of the oil-wealth so as to anaesthetize and render impotent any positive action against tyrannical systems. Pristine Islamic movements are diverted in to fighting for trivialities of parliamentary seats or their own Tariqahs (sects), missing the pivotal target of state power.

IF the Mullahs and their supporters appear to be tough power-brokers with a record of subversive activities, leaders can be blackmailed, movement and newspapers banned, bank accounts freezed or another religious group walls against it (Sadat slipped off playing this antic). And even more, military generals could be put on the triggers of power.

Juxtaposed against such a background is the pardoning of communist leaders and registration of their parties and newspapers to stir up marxist propaganda.

Such accelerated strategic calculations by Middle East governments since 1979 can be summed up as the multiplication of obstacles on the path of Islamic Fundamentalist forces in the region.

There are fears in diplomatic circles that billions have been fuelled to the accounts of several governments to help them finance their wars or push them tow the American line in vital policy matters at the U.N., Arab-Summit, O.A.U. Islamic Conference Organisation or maintain aid dependent nations strategic to it's interest for easy manipulation.

It should be pointed out that with the dramatic introduction into the Middle East of the R.D.F.U.S. Marines and the Nimitz aircrafts carrier, shipment of Soviet arms to Iraq by Saudi Waters, collective security pacts like the Gulf Cooperation Council among conservative Oil-Sheikhs or AWACS in Saudi sky, the establishment of anti-terrorist Centre of such magnitude in Saudi Arabia looks like one of a chain of conspiracies by the super powers to forestall an impending attack by an equal chain of forces blinded by a common demand for freedom and independence. Already, on walls could be seen deviant political graffiti and street battles with the Islamists in many Middle East capitals. Thus desperate attempts by the U.N. to effect a ceasefire in the Gulf war now that Iran has not only repelled but defiantly prodes into Iraq could only be seen for what it is: waves of Islamic currents engulfing the entire region could be a contagious conflagration that could flush out all the "scum" of the gulf.

Carter's pronouncement immediately after the revolution in Iran that the U.S. will protect its allies (Saudi Arabia) by all means including military force" only confirms the threat the overthrow to this Kingdom's rulers poses to the Materialist Circles in Moscow, Paris, Washington and Peking.

"It will be the dramatic expression of a profound crisis of civilization," Predicts one Middle East expert.

EDUCATION STUDY ISSUED

Kuwait ARAB OIL in English No 11, Nov 82 p 85

[Text]

The Statistics Department of the Education Ministry's Documentation and Statistic Data Center has issued the 14th number of the series of volumes dealing with education in the Kingdom since its inception.

These volumes give statistics on girls' and boys' education and the efforts made by various ministries and government departments in this regard as well as an account of university education and its development.

The new volume carries a statement of Education Minister Abdul Aziz Al-Khuweir in which he said that the Kingdom earmarked nine percent of its budget for education during 1980-81 amounting to 5.83 billion dollars. Of this, 45.2 percent was set apart for boys' education, 19.4 percent for girls' education and 35.4 for higher education.

The Minister said state attention to education has left its mark in the constant growth of educational institutions. The total number of various types and levels of educational institutions in the Kingdom has reached 11,379 (schools and institutes), an increase of 309 schools and institutes over the previous year.

The number of male and female students who received education in the current year totalled 1½ million, an increase of 98,000 students over the previous year. Apart from the Kingdom, these students hailed from other Arab and Islamic countries. The number of male and female teachers to date totalled 86,000, an increase of 7,768 teachers over the previous year.

Formation

In 1924, the late King Abdul Aziz, founder of the Kingdom, announced the formation of

the Education Directorate which laid the foundation of modern education. In 1925, the directorate took over the supervision of education in schools. In 1926 an education board was constituted.

Education in the Kingdom moved to a new phase with the setting up of an education ministry in 1929. The new phase of education in the Kingdom started with the assumption of office by King Fahd as the first Minister of Education. He drew up the first organizational map of the Ministry. The Ministry also set up various educational administrations in different provinces in the Kingdom.

The Ministry of Education since its inception could keep pace with requirements of society and respond to changes and modification in keeping with the development needs of the nation.

Seven years later the formation of the Ministry, the nation responded to the pressing need for girls' education by opening girls schools and formation of special administration for it called, the General Presidency of Girls' Education, which in less than ten years could realise a complete system for girls' education.

The girls' school education gradually developed from primary level, which started in 1960-61 to upper primary level in 1963 and secondary level in the same year.

The Presidency of Girls Education also opened intermediate colleges for training of women teachers for the upper primary and secondary levels of education.

In 1970 it opened the first college for girls in Riyadh. In 1974-75 another one was opened in Jeddah. In 1975-76 another college was opened in Mecca. In 1979-80 a college of

literature was opened for girls in Riyadh and another girls college at Dammam. The General Presidency of Girls Education also supervised other kinds of girls education such as nursing school, typing and stitching training centers, adult education and eradication of illiteracy.

Higher

The Ministry of Education was in charge of university education till the beginning of the second development plan. A separate Ministry of Higher Education was formed in 1975 to implement the state policy in the field of higher education in collaboration with existing universities. King Saud University in Riyadh was the oldest university in the Kingdom. It was set up in 1957. This was followed by King Abdul Aziz University, which was set up in 1967 as a private institution. In 1971 it became a government university. Among the specialisations of these universities are literature, engineering, medicine, science and pharmacy.

The University of Petroleum and Minerals was set up in Dhahran in 1974. In 1975 King Faisal University was set up in Ahsa. There are three other universities which specialise in religious subjects. They are Imam Muhammed Bin Saud Islamic University in Riyadh, Medina Islamic University and Ummul Qura University at Mecca.

The Ministry of Higher Education Coordinates its functioning with the Supreme Council of Universities which was established in 1974.

The Kingdom's educational system is divided into three stages.

Primary, the duration being six years preceded by two years of kindergarten. The stage consists of primary and secondary, the duration of each being three years. Technical education in commerce, industry and agriculture is also imparted at this stage.

The third stage of education is the university level.

Among the various types of education the state gives special education given to the handicapped.

CSO: 4400/104

BRIEFS

WATER FROM TURKEY--A project to pipe drinking water from southern Turkey to the main cities of Saudi Arabia was discussed last week in Jeddah at a meeting of the Islamic Conference Organisation's special industrial task force. The project, which was expected to cost about \$5.6 billion if it is undertaken, would involve construction of a pipeline 3,750 kilometres in length from Iskenderun in Turkey to Dhahran, Riyadh, Mecca, Jeddah and Medina. The pipeline would pass through Iraq and Kuwait on its way to Saudi Arabia. The special industrial task force was set up last February at a meeting of ICO ministers on industrial cooperation in Islamabad. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English No 38, 8 Nov 82 p 5]

JIDDAH CONTAINER STATION--Jeddah has opened a container freight station and is now able to accept less-than-container loads (LCL) for unpacking at the airport. Several large sheds covering some 500,000 square metres have been made available in the main port area, to enable LCLs to be handled. Before this facility was made available, Jeddah would only accept fully loaded containers, a fine being levied on any shipper who contravened the ban. However, now that there is a special freight station, shippers are getting together to pool their Saudi Arabian groupage traffic. The British firms of Davies, Turner and Company and International Express have got together in this way and are in a joint venture with Jeddah's Raji Alireza. There is therefore an agent in Jeddah who can arrange unloading and onward distribution. AN-NAHAR ARAB REPORT & MEMO spoke to one of the managing directors of Davies, Turner, Michael Stephenson, who explained: "Davies, Turner and International Express have decided to combine forces in that market. If we put the two together we should have a strong service. If you start a new service from scratch the customer can suffer while you learn the rules. With a joint venture such as this, International Express already know all the rules and regulations." Shippers consider that the opening of the container freight station is yet another move by the Saudis to make sure they can keep a firm eye on goods entering the country. Similar facilities have been established at Dammam and Jubail. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English No 38, 8 Nov 82 p 5]

\$87.5M FOR VILLAGES--An additional amount of 87.5 million dollars has been allocated in the 1982-83 budget to implement some development project in the towns and villages of Riyadh region, reported the Saudi Gazette recently. This additional amount will be spent in a period of three years. These

development projects for towns and villages of the Riyadh region will not only be confined to the municipal projects but will cover several agricultural, health, road, electricity and telephone projects besides other schemes. [Text] [Kuwait ARAB OIL in English No 11, Nov 82 p 82]

7 CONTRACTS SIGNED--Muhammed Said Farsi, Mayor of Jeddah signed seven contracts for beautification of Jeddah after they were endorsed by the Municipal and Rural Affairs Ministry. The total cost of the projects is 72.5 million dollars according to the Saudi Gazette. [Text] [Kuwait ARAB OIL in English No 11, Nov 82 p 82]

CONSULTANCY SERVICES--The Saudi House for Consultancy Services has published its second annual report on its activities, achievements and financial position for 1981, according to the Saudi Gazette. The report said the house entered into engineering projects contracts of the total value of 55.55 million dollars. The total value of works completed so far out of these projects till October 27, 1981 amounted to 18.05 million dollars. The house during the period undertook 89 projects' feasibility studies out of which 54 studies were completed and 35 are under preparation. These include preliminary and economic feasibility studies as well as marketing, investment potentialities, general scope, organisational and administrative studies. It could carry out a lot of activities among which the most important being the designing and supervision of the following projects: SAFCO housing project, Sabic building project, Yanbu industrial city housing district project, Jubail bay area development project, King Saud University Para medicine faculty project, Mecca and Medina Haram Mosques passage ways air-conditioning project. Saudi Airlines Communications Center project, Supervision of National Guard housing, hospital and medical cities projects in Riyadh and Jeddah, Jubail Petro-Chemicals Company headquarters project, Yanbu Petro-Chemical Industries Company headquarters project, Tubak power station expansion project and drawing up of a set of blueprints for a number of new national factories. The house also offered economic and management consultancy services for setting up new projects the most important of which are as follows: Conducting of over 80 preliminary and economic feasibility studies for various new industrial projects, undertaking more than 60 marketing studies for various economic project, more than 45 general and investment opportunities study, a set of structural studies on several government sectors and private companies and assessment of several other studies. The house also works for propagation of industrial and engineering consciousness by publication of brochures and bulletins. In the field preparation and national work force, the house has sent abroad 35 engineers and draftsmen for overseas studies at the headquarters of Leo A Dubly Company in the US and the Irish Electricity Board in Ireland. This Overseas training program covers various engineering fields such as designs for building, installations, electricity, water and sewage network and power generation stations. The first batch of Saudi engineering designs team consisting of 12 draftsmen and engineers has completed their training in the US. Currently 15 engineers and draftsmen are undergoing training in the US at the headquarters of Leo A Dubly Company. In the field of training in economic consultancy, the house has sent abroad for studies 30 trainees to Arthur De Little Company in the US. Training includes English language education and consultancy work and skill. Nineteen trainees completed

training to become the first nucleus of Saudi cadre. Twelve trainees are still undergoing training. The Saudi House of Consultancy Services was set up in 1979. [Text] [Kuwait ARAB OIL in English No 11, Nov 82 p 83]

LEAR FAN SHARES BOUGHT--A Saudi consortium recently ploughed 88 million dollars into the revolutionary Lear Fan plane, making it the major shareholder in the US based enterprise, said Gulf Mirror recently. A massive sales drive aimed at the Gulf is now being drawn up by distributors who believe the area has a huge market potential after the Saudi vote of confidence. The cash injection is double the offer made several months ago but its confirmation sets the record straight on incorrect reports elsewhere last month saying that an offer of about 40 million dollars had been accepted. Officially, the major share in the new plane now belongs to Fan Holdings, Inc., a firm registered in Delaware, US. It is widely known that the consortium is headed by Saudi Arabia's Second Deputy Premier and Minister for Defence and Aviation, HRH Prince Sultan bin Abdul Aziz. Originally, the Saudis offered 40 million dollars and the makers of the plane started a frantic search for funds from another source after pressure to keep the controlling interest "at home". Beach Aircraft offered to match the Saudi bid but there was no way they could match the subsequent offer accepted recently. "We are very excited by the funding from Saudi Arabia and it now assures smooth flying all the way to official certification next year," said Nigel Massey, Vice President (marketing) of the distributors Middle East Aviation. "It also means that we will be making a concerted sales drive in the Gulf and Middle East generally." "Previously, we had to rely on deposits for the manufacture of the plane (a Lear Fan costs 1.4 million dollars and advance orders have to be accompanied by 10 percent deposit) but now the backing is there and the deposits are not crucial," said Massey. However, he refused to confirm or deny reports from unimpeachable sources at Learavia headquarters in Reno, Nevada, that the Saudi cash injection was in reality more than 100 million dollars. "I have heard stories but the official figure is 88 million dollars," said Massey. A top-level Gulf Mirror source in Reno said: "The figure going around Reno is 100 million dollars." The British Government's share in the US-based operation to produce the revolutionary, non-metal, executive aircraft with the fuel-consumption of a family car, is now only five per cent. The obstacle to the British Government winding down its investment was that a new buyer would want to move manufacturing plant from the Northern Ireland factory to wherever the money was coming from. However, Fan Holdings Inc. have told the British Government and the Reno management that the bulk of the Lear Fans will continue to be made in Northern Ireland. [Text] [Kuwait ARAB OIL in English No 11, Nov 82 p 83]

45 PERCENT FALL IN TRADE SURPLUS--The kingdom's trade surplus for the first half of 1982 fell by 45 percent to 23.7 billion dollars, according to figures released by the Central Department of Statistics, reported Saudi Gazette recently. The first half of 1981 showed a surplus of 41 billion dollars and in all of 1981 a surplus of 79.5 billion dollars. Most of the 1982 decrease came in the second quarter, when the surplus narrowed to eight billion dollars from 14 billion in the first quarter. While higher imports caused a portion of the cut in surplus, most of it came from falling oil exports in the face of the slack oil market. Exports for the first half were 42.5 billion dollars

down by one-fourth from 57 billion dollars. Second quarter exports were 19 billion dollars, off one-third from 28 billion dollars. To put the figures in some perspective, the government budget for 1982-83 is 87 billion dollars. The country that cuts its imports from the kingdom the most was the US, which halved its imports to 3.3 billion dollars from seven billion. Italy knocked off half-2.4 billion dollars and France and the Netherlands each lopped off 1.2 billion dollars. Oil-poor Japan remained the Kingdom's top customer, at 9.5 billion dollars. On the import side, the Kingdom raised its purchases from the world by 28 percent to 20.8 billion dollars. The top six exporters, in order, were the US, Japan, West Germany, the UK, Italy and France, according to the figures. It means that the UK took the fourth place from Italy, as its exports for the first half went 32 per cent to 1.3 billion, while Italy's only rose by 14 percent. In addition to the trade balance, there is the balance of "invisible trade"--the services and transfers. These figures are not published by the Central Department of Statistics. But preliminary figures given by the Saudi Arabian Monetary Agency (Sama) show a Saudi deficit that rose to 32 billion in 1981. [Text] [Kuwait ARAB OIL in English No 11, Nov 82 p 84]

ARABIZATION PROGRAM--Nearly 157 employees of the Arab Shipbuilding and Repair Yard Company (ASRY) have recently been recruited to qualify for various vocational and administrative positions. Sixteen employees have been promoted to senior positions within the company. This move is with the aim of Arabization programs of ASRY. The company wants to make at least 68 percent of the workforce Arab by the end of this year. [Text] [Kuwait ARAB OIL in English No 11, Nov 82 p 84]

STUDY ON PETROCHEMICAL INDUSTRIES--Saudi Consulting House (SCH), which recently completed a study on petrochemical industries in the Kingdom on behalf of the Saudi Basic Industries Corp. (SABIC), is engaged in another study on petrochemical industries in the Arab World. This study, undertaken on behalf of the Arab Industrial Development Organization (AIDO), will be ready in six months, according to Ahmed S Twaijri, vice chairman and managing director of SCH. Twaijri told Saudi Business that six teams have been sent by SCH to all the countries of the Middle East to collect data. He said the study will present its conclusions on the best location for petrochemical projects in the Arab world. Twaijri said the major achievement of SCH during the 12-month period between November 1980 and October 1981 was the development of Saudi manpower, SCH sent 35 Saudi nationals for training in various fields of consultancy. It has trained some 100 Saudi nationals over three years. One of its major contracts during the year was with the National Guard for 15 million dollars. Under this contract, it had to check the design and supervise the construction of four residential compounds containing 1,144 two-storey villas awarded to Dumes, a French company. SCH also had a 11.6 million dollars contract with the Royal Commission for Jubail and Yanbu for the design of transmission lines and a distribution network for the power system in Jubail. According to SCH's annual report for the year ending October 1981, the firm completed engineering projects worth 18 million dollars, and work for projects worth 55.5 dollars was still in progress. It also completed 20 prefeasibility and economic studies, 19 marketing studies, three investment project studies and 12 administrative and organizational studies during the

period. SCH has conducted many prefeasibility studies on behalf of private investors as well. These studies found sufficient markets for cast iron pipes and fittings, high quality furniture, glasswares, metal furniture in the Western Region, potable water in the Central Region, polyester fibers and electrical washers. [Text] [Kuwait ARAB OIL in English No 11, Nov 82 p 84]

SABIC TO GO PUBLIC--The Saudi Arabian Basic Industries Corporation (SABIC) is likely to go public within the next 18 months, according to a spokesman for the corporation. He said that the Board of Directors announced this decision recently after a meeting. The corporation is already active in drawing up regulations for the public subscriptions. The regulations will be examined early next year by a ministerial committee formed specially for this purpose. The spokesman added that this is the right time to go public since three SABIC projects are scheduled to go onstream within the next six months. [Text] [Kuwait ARAB OIL in English No 11, Nov 82 p 84]

PIPELINE CONTRACT SIGNED--Contracts have been signed for a pipeline that is to bring water from Shuaiba on the Red Sea to Makkah and Taif, reported Saudi Gazette recently. The Al Rashid-Hak consortium, consisting of Al-Rashid Trading and Contracting of Riyadh and Haq Pijpleidingen of the Netherlands, signed a 446 million dollars contract to build the pipeline. And Italy's Sider Export signed a contract for 133 million dollars to supply the pipes. As Dr Abdul Rehman Al-Shaikh, the Minister of agriculture and Water, was vacationing in Switzerland, the contracts which were signed by the companies in the Kingdom, were taken to him for signature. Last month before the contract for the pipeline was signed Al-Rashid and Hak began setting up temporary buildings on the site and making survey for laying the pipes. "It was a gamble worth taking, because you get some extra time," said an Al-Rashid manager. The consortium was virtually certain the contract would be signed, because it had received a letter of intent several months before from the client, the Saline Water Conversion Corporation (SWCC). Though Al Rashid Hak is doing much of the surveying, the consortium awarded a subcontract for the final design to a West German firm, Pipeline Engineering. It awarded another subcontract, to provide the pumps and electric components for the four pumping stations, which have to be powerful enough to pump the water up into the Hejaz mountains. A subsidiary of Al-Rashid, Saudi-Swiss Electrical Mechanical, won the contract, and it awarded a subcontract for the same to Sulzer Brothers of Switzerland. Sulzer Brothers, in turn, is buying the electrical equipment from Brown Boveri of West Germany. Al-Rashid and Halk will be building the pumping stations themselves. They will lay two pipes of Mekkah, and then one pipe that will go up to Taif. A 13-km tunnel is included in the works, as are eight water reservoirs. The contract period of 40 months. Sider Export will provide 247 km of steel and polyethylene pipes from a factory in Italy, with the first ones to arrive in seven months, a company official said. Before they are turned over to be used, Ameron Saudi Arabia is to line the pipes two months later. All the works have to be finished in 20 months. The water that is to flow through the pipes is to be desalinated at a plant in Shuaiba. Bids for this had been rejected, and in new bidding in mid-August a Japanese consortium of Mitsubishi Heavy Industries, Mitsubishi Corporation and Penta Ocean Construction Company submitted a low bid of 390 million dollars. Power will also be generated at that site, in another major contract that was rebid. [Text] [Kuwait ARAB OIL in English No 11, Nov 82 p 84]

ROUTE TO PAKISTAN--Saudi, the kingdom's national carrier, is opening an additional route to Pakistan, according to Saudi Business magazine. The new route, which is due to start on November 1, will serve the capital of Islamabad. Saudi has been serving Karachi since 1962. "People coming to Saudi Arabia from Pakistan using our carrier now have to go all the way to Karachi. When the new route opens, many travelers, particularly those in Punjab, which is the most populous province in Pakistan includes Islamabad, will be saved the time of going to Karachi," said Hashim Bafakyh, manager of the Regional Marketing Administration for Asia and Australia. There will be two flights every week to and from Islamabad. On Mondays there will be a flight between Jeddah and Islamabad with a stopover in Riyadh. On Thursday there will be another flight between Jeddah and Pakistani capital with a stop-over in Dhahran. Saudi expects its passengers to be mainly workers. The 277-seat Lockheed Tristar will be committed to the route. The plane has 233 economy class seats and 44 first class ones, but Bafakyh said the plane can be refurbished to allow it to take more economy class seats if needed. The fares are still to be decided, but Bafakyh told Saudi Business that they will be within what the International Air Transport Association (IATA) approves. Although Saudia has one competitor on the route--the Pakistani national carrier, PIA--Bafakyh expects a seat capacity of about 85 percent. [Text] [Kuwait ARAB OIL in English No 11, Nov 82 p 86]

SCHOOL CONSTRUCTION--Saudi Arabia built almost two new schools a day in the last decade as soaring oil revenues financed its development program, providing a swift advance toward becoming a modern industrial state, according to Gulf Mirror. The Kingdom's oil-fired leap forward since the price of crude quadrupled in 1973 is set out in a new report to King Fahd by his planning ministry. It covers the decade of the 1970's and the Saudi first and second development plans chronicling how the petromoney was spent as crude prices went from 1.8 dollars to 32 dollars a barrel and government revenue increased 43 times. Per capita income reached 1,613 dollars from 823 dollars in constant 1969/70 riyals. What the ministry terms remarkable progress in education saw the number of schools and colleges rise to 11,000 at the end of the period from 3,000 at the beginning. The number of teachers jumped from 23,000 to 78,000 while the number of pupils and students in the kingdom of about eight million people rose to 1.5 million from 545,000. In his first policy statement last July, King Fahd said that his government wanted "to continue the propagation of knowledge at the rate it has been proceeding and then to raise the level of education so that the improvement in quality matches the growth in educational facilities." Under the current five-year plan (1981-85) Saudi Arabia will be spending 122.5 billion dollars, (35 billion dollars) on educational programs, or 16 per cent of the total development outlay, according to official statistics. The King said: "a special and heavy responsibility lies on our youth, for they are our strong right hand today and our planners of tomorrow. They must not imitate the lost youth of the west and be carried by corrupt pleasures and lose themselves. They must not succumb to extremism for our religion is a tolerant one which does not accept extremism." He said the next plan would concentrate on two areas: development of Saudi manpower and improvement of the environment. The report on the last decade estimated that government revenue, virtually all from oil, rose to 61 billion dollars annually from 1.5 billion dollars. Oil output touched a peak of more than

10 million bpd during the decade, although a world glut has pushed down current production to little more than half that, according to western oil industry estimates. Government spending rose to 55 billion in 1980 from 1.7 billion dollars in 1970, said the report which was presented to King Fahd by Planning Minister Hisham Nazer. The Kingdom, whose oil reserves in 1980 totalled 167.5 billion barrels or a quarter of the world's entire reserves, used part of the oil revenue to finance agriculture. The report shows that wheat production in desert fields watered by hugely expensive irrigation systems rose to 150,000 tonnes in 1980 from 20,000 tonnes 10 years earlier and citrus production rose from 34,000 tonnes a year to 134,000 tonnes. The Saudis had 3,800 doctors at the end of the 1970s compared with 800 when the "OPEC decade" began. There were 959 hospitals, clinics and health centers compared with 577 in 1970. [Text] [Kuwait ARAB OIL in English No 11, Nov 82 p 86]

\$11M for MAINTENANCE--The contract for cleaning holy shrines, including slaughter houses, has been given to a number of national companies at a total cost of 11 million dollars, the Saudi Gazette reported recently. The paper quoted Abdullah Bin Siddiq, Deputy Mayor of Mecca, as saying that a number of officials have been appointed to supervise the cleaning work as well as inspection of cattle and lavatories. He added that a number of companies will be given charge of environmental health, which included aerial and ground spraying, inspection of markets, supply of ice, bread and foodstuff in addition to inspection of street lights of Mecca and sewerage. He pointed out that 12 centers were set up to inspect markets to prevent manipulation of prices. Of these, 10 centers are in Mina and two in Arafat. A total of 250 inspectors had been appointed and they are provided with necessary equipment. Dr. Abbas Hamza Marzouki, Director General of Health Affairs, meanwhile, told the Okaz newspaper, that the ministry of Health, has prepared a plan for this year to provide medical services in Holy shrines. Health services have been intensified in the hospitals of Arafat, Jabal Rehman, and other clinics and health centers of holy shrines. The number of personnel employed in these hospitals, including doctors, staff, male and female nurses, reached 1,200 besides a large number of technicians in laboratories and pharmacies. He said there are 48 health complexes equipped with all machinery in Holy Shrines and its approach roads. In a statement to the Al-Bilad newspaper, Chowdhary Shoukat, Director-General of Haj in the Pakistani Embassy said 50,000 pilgrims are expected to arrive from Pakistan this year. He added that the huge projects implemented by the kingdom in holy sites such as roads, tunnels and bridges have facilitated performance of pilgrims. In another report, Al-Bilad said official Haj missions from African nations have started arriving at Jeddah airport. Missions from Egypt, Algeria, Libya, Senegal, Nigeria, Guinea and Zambia have arrived. In another development, the Western Province General Telephone Administration has finalised plans for the Haj season. It has been decided to increase the number of coin telephones in Haj sites for pilgrims. This was stated by Samir Sadiq Dahlan, Director General of Mecca Telephones. [Text] [Kuwait ARAB OIL in English No 11, Nov 82 p 87]

INFRASTRUCTURE IMPROVED--Construction of a number of roads, flyovers and tunnels linking Mecca have been completed to facilitate the movement of the pilgrims in the Holy city. The completed projects include the 9.5 km long

King Abdul Aziz Street extending from Muzdalifah to Ajyad Al-Sayyed near Haram. The three-track one-way road costing 144.44 million dollars has five fly-overs at the Guest Palace, Khaif Mound, Ramaq Sidqi, Aziziya Road Junction and Mahbas Al-Jinn. The other project is of the 1.2 km tunnel starting from Ajyad Al-Sayyed area to Harem. This 102.77 million dollars King Abdul Aziz Road going beyond Mina, intersecting the Kudai Road, and finally joining the Mecca Ring road. Next is the 1.2 km tunnel leading to the Ajyad Al-Sayyed area. Meanwhile, Al-Medina newspaper reported that Prince Majed Bin Abdul Aziz, Governor of Mecca, was in constant touch with the officials of Jeddah's air and sea ports, the security and emigration offices and other agencies connected with reception and transport of the pilgrims. The Governor stressed the necessity of officials adopting exemplary behaviour and praiseworthy qualities. Every possible service was rendered to the pilgrims to make them feel at home, he said. The kingdom is duty-bound to serve the pilgrims by virtue of its position as the custodian of the Holiest place on the earth, he added. Meanwhile, the number of vehicles which arrived till the middle of September in Mecca reached 58,093, while the number of vehicles departing Mecca so far totalled 53,302. Tabuk Telephone and Telex Administration installed four international call-cabins at Halat Amar, which was working on a round the clock basis to serve pilgrims arriving through the Kingdom's northern inlets, stated Ziyad Abdul Lathief Abu Zinada, Deputy Director of the region. An average of nearly 100 international calls were made by pilgrims from Halat Amar, he added. Meanwhile, Dr Alawi Darwish Kayyal, Minister of PTT, stated that efforts were made this year to extend PTT services to the maximum possible areas of Mecca and the Holy Shrines. As such, Mecca directorate of the Ministry has allocated 18 telegraph offices at various places of the Holy Shrines area for serving pilgrims round the clock. The Directorate has, in addition, introduced five Arabic Telex circuits and five telegraphic circuits for facilitating contacts between the Holy Shrines area and the various parts of the kingdom and the world. Meanwhile, the number of pilgrims arriving till the middle of September reached 718,650, with an increase of 49,356, over the corresponding period last year, stated Ibrahim Abdul Rahman Al-Sadhan, the Assistant Under Secretary of Passports and Civil Status at the Interior Ministry. [Text] [Wait ARAB OIL in English No 11, Nov 82 p 87]

RIYADH DIPLOMATIC QUARTER--With the virtual completion of infrastructure at the site of the Riyadh Diplomatic Quarter, the stage is set for facilities, diplomatic missions and housing units, according to Saudi Business magazine. The High Executive Committee for the Project of Ministry of Foreign Affairs and Diplomatic Quarter awarded last month contracts worth about 41.6 million dollars for the construction of nine kindergartens and extensive landscaping. A design contract for a community center, the last of the 40 superstructure facilities planned for the first phase of the quarter's development, was awarded late last month. The construction contract worth 11 million dollars for nine kindergartens was won by Kuk Dong Construction Co. of Korea. Each kindergarten has been allotted a space of 1,850 square meters. The project involves the construction of buildings on an area of 600 square meters each with additional land for covered play areas, playgrounds, green spaces and parking facilities. Each kindergarten can accommodate 45 to 80 children. The extensive landscaping contract of 28.5 million dollars has been won by a national company, Eastern Corp. for Trading, Construction and Industry of

Riyadh. This program incorporates cliff-edge protection of the diplomatic quarter, preservation of historic features, trail systems, nature walks, special viewpoint areas and a nature museum. Saud-consult, another national company, was awarded the design contract for a fire station and police station last month. The community center will be built on an area of 30,000 square meters half of which will be built-up and the other half used for parking and landscaping. The center will have a multi-purpose hall, theater, exhibition hall, seminar rooms, assembly hall, club, hobby workshops, youth club, coffee shop, maintenance and administrative offices. The committee has already spent a total of 277.7 million dollars, more than half of which has gone into the infrastructural facilities and another 110 million dollars in planning, design and construction of superstructure, according to a committee spokesman. Of the total 144 million dollars spent on infrastructure, 46.3 million dollars has gone to the constructions of roads and landscaping, 63 million dollars for water and sewage systems (including water towers and sewage treatment plants), 31.3 million dollars for the electric and telecommunication network, 3.3 million dollars for excavation works and parking facilities and 3.3 million dollars for infrastructure design. The public superstructures already under construction or awarded include an international school complex (15 buildings now under construction), nursery (in operation), and extensive landscaping (also awarded last month). The total value of these projects plus the design contracts for all 40 public facilities is about 10 million dollars. The committee will be awarding construction contracts for the remaining superstructure projects in the coming three to four months and these include: Riyadh Diplomatic Club, Friday mosque, library, government services complex, sports club, four neighborhood mosques, 10 secondary, intermediate and elementary schools and intensive landscaping. Two more projects, a 100-bed medical center and a nine-hole golf course, are still in the planning stage. The master plan drawn up by the committee envisages an expenditure of one billion dollars at the Riyadh Diplomatic Quarter in the first phase of its construction (1979-1983), a little less than half (500 million dollars) in public construction costs and the remaining 500 million dollars for private superstructure. The private facilities include diplomatic missions, staff quarters and housing, office and commercial facilities. Already 46 of the 77 accredited diplomatic missions have signed contracts with the committee for the construction of their missions, and they are in various stages of designs and approval. Since the master plan envisages a progressive increase of Saudi citizens in the diplomatic quarter over a period of time, the committee is planning the private development of housing, office and commercial facilities as well as the sale or leasing of plots to individual Saudi home builders. [Text] [Kuwait ARAB OIL in English No 11, Nov 82 p 88]

PILGRIM CITY--As part of the keenness of King Fahd to ensure safety and comfort of pilgrims, directives had been issued to the departments concerned for construction of a pilgrim city at the Jeddah international airport as large as to accommodate 50,000 pilgrims, reports Saudi Gazette. Several joint meetings of officials of the airport and the Jeddah Municipality were held in the second week of September with a view to co-ordinating work on this project. Meanwhile, the Al-Riyadh newspaper reported that Prince Naif Bin Abdul Aziz, Minister of the Interior, accompanied by a number of officials, members of the Supreme Haj security forces panel, would inspect the progress of the

preparations of the various Government departments at the Holy Shrines and discuss related requirements and amenities. A health plan had been drawn up by the Health Ministry and required medicines and medical apparatus were provided for facilitating services to their pilgrims. The Commerce Ministry, in co-ordination with municipalities, devised necessary plans for supply of ample quantities of foodstuffs and other requirements. Arrangements were also made to watch the quality and control the price of all items supplied. Powers for punishment in cases of violation were delegated to the Ministry's concerned branch centers. Dr Alawi Darwish Kayyal, Minister of Posts, Telegraph and Telephones, accompanied by the director-general of Telephones and the Ministry officials, inspected the telephone and postal service centers in the Holy Shrine's area. [Text] [Kuwait ARAB OIL in English No 11, Nov 82 p 88]

9 OIL FIELDS FOUND--Nine new oil fields were discovered last month in the Eastern Province. Five of these are off-shore and four on-shore, according to a spokesman for the Saudi Oil Ministry. The spokesman said that nearly 114 oil wells, 11 water wells and 18 observation wells have so far been drilled in that region. About 35 oil rigs are currently in operation in the off-shore fields. [Text] [Kuwait ARAB OIL in English No 11, Nov 82 p 88]

FIRE EXTINGUISHERS MADE IN THE KINGDOM--It is now possible to buy fire extinguishers manufactured in Saudi Arabia thanks to the recent start-up of a Saudi-French joint venture in Jeddah Industrial Estate. Last month Saudi Sicli produced over 1,500 fire extinguishers, according to Herve Saint-Marc, general manager of the company. Constructed in 18 months at a cost of 2.7 million, the Saudi Sicli factory began production in May. It has been producing between 1,500 and 2,000 units a month since then. The Saudi Sicli company is owned by Sheikh Al Hamidi, a businessman based in Riyadh (40 percent); JIMCO, a concrete equipment manufacturing firm owned mainly by Al Hamidi (30 percent) and Sicli of France (30 percent). Saudi Sicli provided one million dollars of the construction costs while the rest came from the Saudi Industrial Development Fund (one million dollars) and Sicli France, which gave 694,000 dollars in the form of a supplier's credit. Saudi Sicli expects to produce 63,000 fire extinguishers a year, it is licenced to manufacture within three years. The company says production is not as much a problem as marketing. "Our factory now operates for only eight hours, that is, one shift. If there is a large market we can make it two or even three shifts," said Saint-Marc. The company has 36 persons on its payroll. To carve out for itself a market, Saudi Sicli is trying to reach as many prospective customers as possible. It has a number of salesmen in Jeddah and distributors in the other main cities of the Kingdom. But Saint-Marc stressed that the firm is facing some initial acceptance hurdles. Many construction contracts in the Kingdom, he said require contractors to produce fire extinguishers. Foreign contractors tend to purchase models from their own countries, which puts Saudi Sicli at a disadvantage. But Saint-Marc says his company knows where it can come in. "These contracts have provisions only for the supply of the extinguishers, not for their maintenance. We take care of the rundown fire fighting equipment," he said. The company also hopes to do business in tendered requests from both public and private bodies. The firm is looking forward eagerly to the implementation of a recent

government order that stipulates that all taxis should carry fire extinguishers. One obstacle for Saudi Sicli is that it still doesn't have the Saudi Standard sticker, the label that shows that a product has attained the Kingdom's quality requirements. The taxis are supposed to have extinguishers with the Saudi stickers. Saint-Marc says his company is due to receive the stickers within a month. At present the company makes only one model--the all purpose ABC dry powder fire extinguisher. It takes care of all types of fires involving solids, liquids and gas. The company manufactures them in five sizes, the common one weighing six kilos. All the raw materials except the head and hose, and for the time being steel sheets, are obtained locally. These include the plastic pipes, plastic bags, paints, stickers and powder. The Saudi Sicli retail prices are almost the same as those of imports. Saint-Marc expects his company's expenditures and earnings to balance by the end of next year, with profits coming thereafter. [Text] [Kuwait ARAB OIL in English No 11, Nov 82 p 90]

\$27M TO MOROCCO--The Islamic Development Bank has lent Morocco 27 million dollars to finance crude oil and raw sugar imports, the official Saudi Press Agency said last month. The oil imports would cost 15 million dollars. The bank, based in Jeddah, is the financial arm of the 43-member Islamic Conference organisation (ICO). It does not charge interest under Islamic laws. [Text] [Kuwait ARAB OIL in English No 11, Nov 82 p 90]

MEDIUM-TERM LOANS TO PROFESSIONALS--The Jeddah based Arab National Bank will shortly introduce a scheme under which medium-term loans will be available to small traders and to professionals such as doctors, engineers and farmers for setting up new concerns or purchasing equipment, the Saudi Business magazine reported recently. The soft-term loans, which cover 50 percent of the capital requirement, will be repayable over a three year period. The tentative ceiling is 270,000 dollars, although a final decision has yet to be taken. Farouk Abdul Majeed, the bank's managing director, told the magazine that the proposed scheme is in addition to a short term loan plan introduced earlier this year. Majeed said the bank had introduced various measures to tone up customer service and train its manpower. It has signed a contract with a local firm for computerizing operations in all of its 43 branches, which will number 80 in two years. The 16.6 million dollars plan, due in force in January, involves the installation of a branch, regional and central computer system as part of a package of better customer service that also includes teller machines. On the career development side, the bank has awarded scholarship to 64 Saudi Arabians who will be leaving for the United States in January for diploma or degree courses in computer banking, business administration and allied subjects, which are of two to five year duration. This will enhance the future prospects of the trainees, Majeed says. The overseas education program is complementary to an internal training scheme under which 400 employees are being coached in various aspects of banking. The training manager was sent to London to acquaint himself with training courses offered by banks there, the managing director said. [Text] [Kuwait ARAB OIL in English No 11, Nov 82 p 90]

TELEPHONE EXCHANGE IN AHSA--The Saudi Telephone in the Ahsa region has started operation of the automatic exchange in Ahsa with a capacity of 4,000 lines,

reported the Saudi Gazette recently. The change is also equipped with an additional capacity of 2,000 lines to meet the increasing demands for telephones. The paper quoted Muhammed Abdulla of Saudi Telephone in Ahsa as saying that another exchange had been completed last Muharram. This exchange is equipped with a sophisticated electronic system. He said that at present there are 29,000 lines operating in the Ahsa region, which is six times more than what was existing in 1977. He added that Saudi Telephone in Ahsa has also implemented other telephone projects. Among these is the, internal telephone network at Haradh, 120 kilometers away from the region. It has been connected to Hofuf through micro-wave. Similarly, the Khurais network has been converted to aerial network 170 kilometers away from Hofuf. Its connections are made through a central cable system. Telephone connections have been given to some eastern villages such as Al-Habsha, Al-Jafr, Al-Taraf, Al-Fusul, and Al-Maosura. Connections have also been given to Northern villages such as Al-Umran, Al-Bataliya, Al-Matir, and Al-Hilal besides the sports grounds situated south of King Faisal University. The aerial network at Mahasin has been converted to ground network. Muhammed Abdullah said that apart from the above projects, the exchange project at Uyun has been implemented with an initial capacity of 3,000 lines which serve surrounding villages, the industrial estate and the cement company. [Text] [Kuwait ARAB OIL in English No 11, Nov 82 p 90]

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